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COMPETITIVENESS AGAINST THE SUSTAINABLE DEVELOPMENT GOALS

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Introduction

The aim of this book is to analyse the competitiveness versus the Sustainable Development Goals. This implies addressing new poverty profiles and climate change. Poverty and climate change are factors that change the strategist perception and the construction of competitive advantages.

Economic development can be achieved thanks to organizations, regardless if these are private or public. Government policies, the economic environment, and the entrepreneur actions must fit coherently to achieve the development synergy (ECLAC, 2013).

A strategic vision that considers the new poverty profiles and climate change generates social value and increases the population welfare. This, in turn, contributes to the business or public programs' suitability. Thus, expenses become an investment, the system becomes dynamic and the population enters a virtuous circle of work-income-welfare.

In this context, there is a need for strategists with the capacity to build new scenarios and the availability for constant checking of emerging strategies adapted to the new reality. The capacity for analysis and transformation in an ever-changing system is a decisive element in the 21st-century competitiveness.

The strategist needs the learning capacity about his own reality. Only from a critical vision the competitiveness sustainability can be reached (EM, 2015).

Sustainability implies more factors than environment caring. The environmental element is one of the many factors that involve sustainability pursuit. It is especially relevant for the competitiveness sustainability in a capitalist system.

Given the unstable global economic scenario, it is considered fundamental to focus on strategic analysis and the construction of new scenarios of two elements: new poverty profiles and climate change, both in the public and private spheres.

Sustainability in Competitiveness Terms: What Does It Include?

Any strategy to be sustainable must be evaluated from three critical areas: economic, social and environmental (Calvente, 2007). In the world scenario, this imposes great challenges, because the information and communication technologies together with financial internationalization make the uncertainty even greater.

International events affect local business activities and change costs, purchasing power, distribution channels, and even consumer preferences and expectations. Calvente (2007) points out the following characteristics: supportability, robustness, resilience, and adaptability.

A strategy is supportable in the organization when it has developed the capacity to produce at a rate in which it does not exhaust the resources it uses and requires in order to function and does not produce more pollutants than its environment can absorb. (Berkes, Colding and Folke, (2001).

A strategy is robust when it maintains global production conditions in volatile environments, implying major changes and transformations away

from equilibrium. Such is the case of the biosphere. The biosphere is an unbalanced system, even if it can maintain global conditions on a regular basis, which gives the appearance of "balance of nature". It is the balance within the imbalance or order from the chaos. (Berkes, Colding and Folke 2001)

A strategy is resilient when the organization achieves the ability to recover after a catastrophic situation, not necessarily returning to its previous state but yet performing its basic functions. It is to recover order from chaos. If a system does not have enough organizational resilience in the face of a catastrophe, the way ahead is the extinction of the system. (Berkes, Colding and Folke, 2001)

The adaptive capacity relates to mechanisms for the evolution of novelty through learning. (Berkes, Colding, and Folke, (2001).

Sustainability involves the strategy generation that is resilient, robust, adaptable and supportable.

Indeed, supportability becomes another factor in sustainability. It is also important to note that ignoring climate change and the new poverty profiles undermine these four factors, making the strategy not entirely sustainable because it does not identify the new scenarios origins at the root.

In fact, the sustainable development announces the economic rationality limit, proclaiming the superiority of life values, social justice and commitment to future generations (Leff, 2000). The inclusion of supportable, adaptive, robust and resilient processes, in order to reach their prevalence over time, is very necessary.

Competitiveness Versus to the Climate Change

The climate change obeys to factors in principle unrelated to the understanding and control of the human being. Yet, human-generated pollution (industrialization and exacerbated consumption) has fueled the negative effects on the conservation of life. Climate change has added a tragic effect on the world economic system and has even reduced human lives due to natural phenomena for which society was not prepared.

The main human activity contributing to climate change is the consumption of fossil fuels, particularly oil and coal, which emit carbon dioxide. The greenhouse effect is the mechanism by which carbon dioxide and other gases produce global warming (Rodríguez and Mance, 2009).

There is a disjunctive between industry and the greenhouse effect, which can favor the reduction of the first one, based on rational and alternative consumption (EEM, 2005).

The picture emerging from scientific data on Climate change is clear. The Intergovernmental Panel on Climate Change (IPCC) has come to the conclusion that the warming of the Earth's climate system is unequivocal. It is estimated that, in the last century, the average temperature of the planet's surface has increased by approximately 0.74 degrees centigrade (WTO, 2009).

Many greenhouse gases remain in the atmosphere for a long time. Thus, climate change will affect the planet for several centuries, even when emissions are considerably reduced or stopped altogether. (WTO, 2009) We need mechanisms to confront it and adapt the human activity to the new reality.

Climate change has a large impact on ecosystems, societies, and economies and increases the pressure on livelihoods and the food supply, including fisheries and aquaculture sector. The quality of food has played a very important role. As the pressure to which food resources are subjected is increasing, this determines that the availability and access to fisheries resources become an increasingly critical development issue. (WTO, 2009; FAO, 2012, 2014, 2015; ECLAC, FAO and IICA, 2014).

The fishing sector differs from the conventional agricultural sector by the interactions and specific needs that link it to the problems posed by climate change. Capture fisheries have their own traits in terms of harvesting natural resources and their links to global ecosystem processes. Aquaculture complements food supplies and contributes significantly to their increase, and although its interactions are similar to the ones of agriculture, it also has important connections with capture fisheries. (FAO, 2012)

The consequences of climate change affect the four dimensions of food security: availability, stability, accessibility, and usefulness. The availability of food of aquatic origin varies due to alterations in habitats, fish populations, and the species distribution. The stability of supplies and related risk-taking is affected by seasonal irregularities, the variance in the productivity of ecosystems. The accessibility of food of aquatic origin is modified due to changes in livelihoods and in catches or harvest possibilities. The usage of aquatic products is undergoing alterations, for example, some societies and communities must adjust their consumption habits by introducing into their food species that were not part of their traditional diet. (FAO, 2012)

Conflicts over resources are likely to intensify as a result of the interruptions of agricultural production and water supply processes. Some companies in South Korea have sought to offset the effects of Climate change in their country by investing in the fertile ground on the island of Madagascar.

It is possible that also another countries must extend their influence to new regions to guarantee their food security. Among them could be India and China, since the melting of the Himalayan glaciers will lead to the deregulation of the water cycle in the region, with devastating consequences for the production of cereals and rice. (Rodríguez and Mance, 2009)

A future climate scenario with significant alterations generates important impacts both on the ecosystems and on the socioeconomic sectors, threatening in an unequal and, above all, disproportionately greater way, those who, being poorer, have less capacity for reaction and adaptation.

The effects of climate change are not only disproportionately greater in the sectors of the most vulnerable population, but they are also eminently unfair to those who have had little to do with the generation of the problem. (Domínguez, 2007; WTO, 2009)

The poorest countries bear the main burden of climate change effects, while at the same time striving to overcome poverty and promote economic growth. For these countries, climate change represents the threat by multiplying their vulnerabilities, eroding the progress being achieved with so much effort and by severely damaging the prospects for development.

At the same time, many developing countries fear the limits that may be imposed on their decisive call for energy development or new rules that may prevent them from meeting their many needs, from infrastructure to entrepreneurship. (World Bank, 2010)

Climate change is double-sided for the Latin America's countries. It could become a serious threat because of the risks involved or, on the contrary an opportunity to contribute to economic development within the framework of sustainability. The risks are related in part to the preponderant role of agriculture in the economies of the region and their dependence on weather changes. The potential advantages have to do with the financial instruments that emerge. (CSDA, 2000)

A high degree of creativity and cooperation is needed in order to face the immense and multidimensional challenge of climate change. A world with an "intelligent climate approach" is possible in our time, but, as maintained in the report, in order to achieve this transformation we must act now, at one and in a new way. (World Bank, 2010)

The effects on international trade have been felt in two ways: infrastructure and trade routes. Port facilities, but also buildings, roads, railways, airports, and bridges, are at serious risk of damage as a result of rising sea levels and the increasing frequency of extreme weather events such as floods and hurricanes. In addition, changes in sea ice, especially in the Arctic, are expected to lead to change the existing navigation routes. (WTO, 2009)

Clean Development Mechanism (CDM) is a mechanism for dealing with change. It has its origin in the Brazilian proposal for the creation of a Clean Development Fund that would be constituted by financial resources of rich countries that did not fulfill their quantified obligations to reduce or limit greenhouse gas emissions (usually referred to as "goals"). Such a fund would be used to generate projects in developing countries.

The concept of penalization was not accepted by some developed countries and the idea of the fund was modified, becoming the Clean Development Mechanism. (Frondizi, 2009; Jiménez, 2007; SERCAL, 2013) Most of the projects under the Clean Development Mechanism are focused

on renewable energy and the capture of methane in solid waste management. (Coto and Morera, 2007)

They can include the substitution of fossil energy by other one of renewable origin, rationalization of the use of energy, afforestation and reforestation activities, or more efficient urban services, among other possibilities. (Frondizi, 2009)

According to the picture presented in the previous sections, it is shown that both the new poverty profiles and climate change become pivots triggering the competitiveness. They transform the vision with which we approach, understand and act in the local market. Such is the case of those companies that offer green products (Rodríguez and Mance, 2009).

Technological innovation, as well as the transfer and generalized application of technologies, are the axis of the global efforts to face the mitigation of Climate change. Adaptation technologies can be applied in different ways, including, for example, the construction of infrastructures (dykes, coastal retaining walls, ports, railways, etc.); the design and structure of buildings; and research on drought-resistant crops, their development, and their practical application. (WTO, 2009)

The main barrier to technological transfer lies in patents and distrust related to the perception of it being subject to acts of opportunism. However, this does not indicate that the transfer does not occur; it does not occur in the same dimension and speed as the climate change and the new poverty profiles processes would require from it.

Rodríguez and Mance (2009) cite five climate change risks for companies; however, only the following three are considered relevant for the study:

1. Materials. Damage to property, assets and distribution networks. Less availability of natural resources such as water.
2. Security. Increased competition for scarce resources could generate and lead to global instability and collapses in supply chains.
3. Financial. The cost of insurance increases, particularly in vulnerable regions - for example, coastal areas. Plus the losses due to catastrophic events.

The meteorological effects of climate change on migration can be divided into two conditioning factors: on the one hand, climate processes such as sea

level rise, soil salinization for agricultural use, desertification and increasing water scarcity; and on the other hand meteorological phenomena such as floods, storms and flash floods of glacial lakes.

But non-climate factors such as government policies, population growth and the resilience of communities after a natural disaster also play an important role. All this determines the level of vulnerability of the population. (Brown, 2008)

Pettengell (2010) produced a report based on case studies from around the world and the experience acquired by Oxfam in its work with rural communities. Oxfam's approach combines experience in areas such as livelihoods, natural resource management and disaster risk reduction, with firm decision making to manage uncertainty and risk, and thus develop the capacity to adapt at the local, national and global scale.

The report identifies the need to combine processes from the global, the national and the local levels to create the necessary conditions for people living in poverty to adapt to climate change, it also exposes a series of possible measures for this purpose. (Pettengell, 2010)

In 1990, the Intergovernmental Panel on Climate Change (IPCC) noted that human migration is the most serious consequence of climate change. Millions of people move because of the coastline erosion, the coastal flooding, and the agriculture ravages. Forced migration has at least four ways to hinder development: it increases the pressure on urban infrastructures and services, it undermines economic growth, it increases the possibility of conflicts and, among the migrants themselves, it worsens health, educational and social indicators. (Brown, 2008)

The World Bank points out that in order to face climate change, we have to act now, act in common and act differently (World Bank, 2010). Mitigation and adaptation have been the two mechanisms adopted against climate change. Mitigation refers to policies and options that aim to reduce greenhouse gas emissions or to enhance sinkholes (for example, oceans or forests) that absorb carbon or carbon dioxide from the atmosphere. (WTO, 2009)

Adaptation, on the other hand, refers to the responses to reduce the negative consequences of climate change or to take advantage of its possible

benefits. That is, mitigation reduces the speed and magnitude of climate change and its associated effects, while adaptation reduces the consequences of those effects by increasing the capacity of human beings or ecosystems to cope with changes. Most of the international measures have focused on mitigation. (WTO, 2009)

Inclusive business favors adaptation and is a response to the fact that migratory flows do not continue to lead to poverty belts (WBCSD, 2006). Communities must have the capacity and resources to act as intermediaries and connect the processes driven from below and from above (bottom-up and top-down), based on the following factors, according to OXFAM:

1. Populations that depend on agriculture are particularly vulnerable to Climate change. Communities need access to the forecasts and appropriate technologies to be able to put into practice the most appropriate management methods and to address the conditions that currently limit their ability to adapt. (Pettengell, 2010).

2. Climate change exacerbates the scarcity of traditional resources and causes the search for different resources. Some areas become increasingly arid and others, like coastal zones, suffer from saline intrusion; the availability of water for domestic use and the production is decreasing there. (Pettengell, 2010)

3. Climate-related disasters have increased in frequency and intensity as a result of climate change (Pettengell, 2010).

Brown (2008) indicates that migration may be the only adaptive solution in the case of some small island states or countries with very low land. Andrew Simms, from the New Economics Foundation, points out that internal solutions are, in some cases, absurd given that it is the national territory that can be submerged (Lovell, 2007). Climate change, migratory flows, and new poverty profiles are closely linked. These three elements are also convenient in order to consider the strategies to commit with under the current world scenario.

New Poverty Profiles: Between Climate Change and Competitiveness

It is not very gratifying to address poverty, particularly if the question is about competitiveness. In some cases, there is a contradiction and the misconception that profitability comes at the expenses of poverty and competitiveness can have negative effects for the welfare state.

Unfortunately, there are situations that these controversial statements can be confirmed. Fortunately, there are also different situations. The inclusion principle allows the creation of economic activities that mitigate poverty.

Many organizations have been in a competitive race that, in many cases, has sharpened and increased poverty. It is also clear that this is not the only pattern of behavior.

Strategies in search of competitiveness that have undermined the welfare state, have given this result probably due to the lack of a more accurate reality vision. Most of the investment projects, export plans, and other planning exercises focus only on competitiveness and profitability. These are strategies centred on the financial benefits and market expansion. They were implemented without including poverty mitigation as an element of their sustainability. This dynamic led to the creation of new poverty profiles.

Misleading assumption: it is comfortable to ignore poverty because it generates the perception of having eliminated it. Indeed, this ignorance does not eliminate it, what is more, it reproduces it and makes it more complex. The complexity level causes a higher cost to the system. Higher costs could be avoided by giving place to the poverty phenomenon inside the system. Finally, poverty is the system product and corrective mechanisms must be generated to mitigate it.

One way to alleviate poverty is to accept the relationship it has with strategies for competitiveness. It requires abandoning the idea that it is up to public bodies to mitigate it. The alleviation of poverty corresponds to all organizations. Furthermore, mitigating poverty is profitable and

competitive because it creates social value. And it is this value that can be translated into economy.

A strategy is self-limited if it is not based on reality. The new poverty profiles are part of this reality. Part of the sustainability of the business is to understand what the new poverty profiles are, so that the strategies that are developed also adapt to the reality in terms of the latter.

Poverty is a way of life that arises because of the impossibility to access resources that satisfy basic physical and psychic needs. This inability to access results in the deterioration of life quality. The resources that are not accessed are food, housing, education, healthcare or access to drinking water. It also includes the lack of means to access such resources as unemployment protection, zero or low income. Sometimes, it is the result of processes of social exclusion, social segregation or marginalization (EAPN, 2014).

Latin America is one of the most unequal regions in the world. Poverty is a part of the general picture of its territory. Originally, this poverty was, in general, linked to rural areas, big cities instead were the development symbol, and opportunity source. Rural poverty is a problem that has not been resolved and that liberalization, decentralization, and privatization have had little impact on.

In 2017, the number of poor people in Latin America reached 184 million, equivalent to 30.2% of the population, while the number of extremely poor ones stood at 62 million, or 10.2% of the population (ECLAC, 2017).

According to ECLAC (2017) estimates, between 2002 and 2014 poverty and extreme poverty both fell considerably in the region: the poverty rate fell from 44.5% to 27.8%, and the extreme poverty rate from 11.2% to 7.8%, with the steepest fall occurring in the first half of that period. However, in 2015 and again in 2016 both rates rose, representing a setback that was especially severe in the case of extreme poverty.

Economic liberalization increased the attractiveness of emigrating to large cities. Also, social violence and climate change forced many to leave their homes to seek a new life in a high-income economy.

The development policy in the big cities did not imply mechanisms for the absorption of migratory flows and expansion by overpopulation. The

disproportionate and unplanned growth has resulted in human settlements in highly disadvantaged conditions, even in cities of developed countries. New York is an example of that. In most cases, these settlements were on land not appropriated for the construction of houses and they were lacking basic services such as electricity and/or water.

These settlements lead to new reproductions of poverty with new profiles. To these nuclei are adding those poor people that arise in the same cities due to social fragmentation, the fall in wages and the economic crisis.

Faced with the more classical conceptions of poverty, which emphasize the level of material life and the income insufficiency as determining factors, other approaches have emerged. "Poverty in terms of capabilities" or "social exclusion" are approaches to poverty with a broader perspective. A common element of these new approaches, as opposed to the conventional one based on income, is the vindication of the multidimensional nature of poverty. (Malgesini and Candalija, 2014)

New poor people even if with better preparation, are derived from prolonged unemployment and precarious jobs and they are located in different regions of the world. It is expected that in the coming years the proportion of vulnerable employment will remain around 46 percent at the global level. The problem is especially serious in emerging economies (ILO, 2016, 2014, 2007).

The new poverty profiles are not derived only from the loss of employment, or employment with low incomes, but also due to changes in the family structure (increase in single-parent households, family breakdowns), as well as the non-complete labor participation of all members. This problem is greater when there are several dependent children involved. (Red Cross, 2016)

Likewise, the Red Cross (2016) has established four major profiles of people at risk of exclusion: 1) foreign men are subject to extreme and multidimensional risk, without income and without home; 2) foreign people in general are at extreme economic risk; 3) immigrant women with present family and social problems are subject to moderate risk; 4) older people are at low risk (Red Cross, 2016).

The international economic context and financial crisis has resulted in a significant increase in unemployment and has put at risk of poverty people who had never thought they would be in that situation after the job loss. On the other hand, although the fact of having paid employment is a key factor to avoid the poverty risk, in certain circumstances, it is insufficient to maintain a home, which can also lead to situations of poverty risk at work (Herrera *et al*., 2012).

When decent employment is scarce, more workers can stop looking for work. In 2015, the number of people of working age who did not participate in the labor market increased by about 26 million, reaching more than two billions (ILO, 2016).

Poverty can be analysed according to different demographic or socioeconomic variables, one of which is the relationship between people and the labor market. To some part of population, integration in the labor market does not guarantee the way out of poverty. Working poor is an English term that refers to job precariousness. This word link work with poverty (Herrera *et al.* 2012). A reality, that not even Europe escapes.

The impoverishment and precariousness of the living conditions of recent times have brought out the fragilities and deficits of social protection of the welfare model. (Gutiérrez, 2014).

With half of the world's population living in cities at this time -52.1 percent in 2011 to be precise (United Nations) -, the prototype of the poor has ceased to be the peasant, as it was in the past. Now the poor is located in the neighborhood. Large metropolitan areas, which are expanding rapidly, especially in countries of the South, have become breeding grounds of misery and despair, at the same time that they are places of great conspicuous wealth and unattainable housing. (Argyriades, 2014)

Exclusion is the term that nowadays, is used to characterize the situation of people without access to centers of power or economic resources and, therefore, totally incapable of exerting any influence in the direction taken by the economy or of determining their own future in a meaningful way. With a low number of declining jobs and a very low salary, the idea that anyone with a couple of years in school and a minimum of skills could get a stable job is no longer related to the real world. (Argyriades, 2014)

In 2003, a new indicator was included in the European list of social indicators: in-work poverty risk, which is defined as the poverty risk rate of the people who are working, i.e. the percentage of people who work and who have equivalent disposable income below 60 percent of the median income of the society of reference (Herrera *et al.* 2012).

Herrera and others (2012) show that the deepening of the segmentation of labor markets by qualifications, security and salary, generate risks for the most vulnerable social groups. These groups are caught in the alternation between low-skilled jobs and unemployment, which can lead to poverty and social exclusion (Gallie, 2002; Marx and Verbist, 1998; Nolan and Marx, 2000; Caprile *et al*. 2008; Herrera *et al*. 2012).

With less than five percent of the world's population, the United States is the home to the highest incarceration rate worldwide. Too often, these are people who left school or are the product of poor neighborhoods, where education leaves much to be desired (Blow, 2014: A19; Blow, 2013: A21; Argyriades, 2014).

As part of this recount, large groups of recently settled immigrants, mostly from Asia and Africa, are now a prominent feature of the urban landscape in Europe, where they constitute representative minorities of the population. (Argyriades, 2014)

The majority's reaction to this substantial influx has varied over time and has sometimes been hostile. The integration of these groups in the community, in general, has rarely been a success and as expected, the recession has not helped. (Argyriades, 2014)

Violent actions have worsened over time instead of diminishing. Likewise, they have expanded to other countries where their existence would be difficult or almost impossible. In this way, sympathizers of ISIS can be found in the Philippines, Neonazis in America and "Mara Salvatrucha" in France.

If the indicators on the new poverty profiles compiled in Europe were applied in Latin America, it would lead to exceptionally high numbers in terms of poverty. The Latin American society that inhabits the big cities has lost the memory about what the middle class implies, i.e. savings and family patrimony. This class has already practically disappeared, before the

impoverishment of the population. This impoverishment has been slow and it was the purchasing power that was mainly affected.

The point is that given the generalization and the slowness with which poverty has advanced, the majority of the population does not perceive itself as poor. The media and statistical data address extreme poverty, but not the new poverty profiles. This leads to the perception that the population situation "is bad, but it could be worse".

There are less economic opportunities and families are over-indebted. The new poverty profiles are also expressed by food and clothing purchases with credit cards that offer them to divide the amounts to pay up to 48 months. In other words, it is becoming common for families to acquire food and clothing in the same way that it purchases a car. The aberrant thing is that the automobile is not a basic necessity, but feed and cover are.

In this sense, Latin America is a clear example of the crisis in terms of EAPN (2012). For the EAPN the economic crisis cannot be as serious as the memory crisis and the crisis of vision that seem to invade the debate of the construction of government policies and programs. These two crises evade the true roots of the new poverty profiles and prevent the generation of mechanisms that could allow their reduction.

The new poverty profiles demand the generation of business with greater inclusion. Not only in terms of the generation of jobs that allow facing precarious work, but also the generation of social values that promote the integration and unity of the population in the face of the changes generated by migratory flows and climate change. If we are to achieve sustainability in business at all.

The region's poor performance in recent years, coupled with the weak economic cycle, call for public policies on social protection to be implemented and renewed. It refers especially to workplace inclusivity and income redistribution measures (ECLAC, 2017). Efforts must be redoubled to promote high-quality jobs and the construction and expansion of comprehensive and effective social protection systems, which would enable the most disadvantaged households to accumulate the resources needed to have a decent quality of life (ECLAC, 2017).

The situation becomes even more critical when the shortage of jobs is combined with the transformation of the productive system and lifestyle due to climate change. A transformation that has been reactive and not proactive in the face of the new reality that the global environment shows and that is beyond the human being control. The adaptation has been slow and less oriented to the creation of new jobs; it has rather focused on the reduction of pollutants and the containment of migration.

Inclusive growth in the short term, as well as sustainable growth in the long term, require effective coordination of policies at the national, regional and global levels. Although it may seem ambitious, given the degree of financial deregulation that characterizes many countries, it is critical for policymakers to ensure that the financial sector stimulates and promotes long-term productive investments, breaking the vicious circle of weak aggregate demand, low investment, low productivity and growth below the potential of the world economy.

While reducing excessive dependence on monetary policy, policymakers will have to implement fiscal policies aimed at stimulating aggregate demand, investment, and growth (UN, 2016). The global system is committed to achieving the SDGs through market mechanisms.

The Competitiveness Versus the Sustainable Development Goals

The search for development on behalf of the international community and the efforts to achieve it seem to get out of hand. At least in part, it is due to the lack of long-term vision that would include the generation of social values along with economic ones. It is especially true for economic agents.

In the short term, the capitalist system rewards through the economic value accumulation and it leads to the social value detriment. It is the cause of the consideration of only competitiveness and profitability for the strategies.

Although, this does not guarantee the business sustainability in the long term, it generates the strategist perception of doing the right thing and having the key to success in the markets. This is a trap because the

perception of the short term leads the attention away from the possible long-term results.

The Sustainable Development Goals, as well as the process of building them, are a window into that misalignment in between the short and long-term visions, and at the same time, in between the generation of social and economic values.

This conceptual gap is the key in the strategy generation for long-term competitiveness. The big corporations do know this and their owners have created foundations for that purpose, which concept should be much more expanded. The primordial question is for smaller companies. Are they building strategies in terms of this reality? Or do they remain as spectators trying to give a sense of tragedy to the new economic scenarios, at the same time that they undermine social values without any effort to generate them?

Definitely, the Sustainable Development Goals are a compass that clearly indicates where to go before the prevailing reality of the 21st century. Innovation (Chen, Lin and Chang, 2009) and entrepreneurship, in line with these objectives, will be those that will fill the gap and give a new dynamism to the global economic system.

The SDGs are preceded by the Millennium Development Goals (MDGs). The MDGs were eight objectives and eighteen goals. Its achievement was a necessary but not sufficient condition to achieve the general objective of eradicating poverty and eliminating social disparities and increasing inequality during the period 1990-2015. (IDB, 2004)

The MDGs helped more than a billion people escape extreme poverty, fight hunger, facilitate more girls to attend school, and protect the planet. They generated new and innovative collaborations, boosted public opinion and showed the immense value of setting ambitious goals. (UN, 2015)

The International Conference on Financing for Development, held in Monterrey in March 2002, was the first attempt to comprehensively examine the means and impediments for mobilizing resources towards poverty reduction, through mobilization of domestic resources, trade, official development assistance, debt relief, direct foreign investment, and other flows. (IDB, 2004).

Despite the efforts, the poorest and most vulnerable continue to suffer (what they must?). Gender inequality still persists. There are large gaps between the poorest and the richest households, and between rural and urban areas. Climate change and environmental degradation undermine the progress made, and the poor suffer the most. Conflicts remain the greatest threat to human development. Millions of people still live in poverty and hunger, without access to basic services. (UN, 2015)

There are more people to feed with less water, farmland, and biodiversity. But the world economy produces enough food for everyone. Current food systems, which use a high quantity of inputs, have to be transformed to make them more supportable - including the reduction of food loss and waste - through better management and better techniques in agriculture, livestock, fisheries, and forestry. (FAO, 2015)

Although the funding requirements for SDGs are extremely broad, i.e. public and private savings worldwide, according to United Nations (2016), it would be sufficient if the financial system were to efficiently intervene these flows to direct them towards the SDGs. However, currently the financial system is not stable or efficient in allocating credits where they are needed to achieve inclusive and supportable growth, and the loans granting is not aimed at creating a social or environmental impact.

This is a great challenge because the international financial system has favored speculative rather than productive investment. The financial instruments and the mechanisms for the allocation of resources are oriented to satisfy the needs of the financial market, dissociating themselves from the sectors dedicated to production. In other words, we are witnessing the persecution of the SDGs with a divorce between the productive sector and the financial sector. Hence, much of what is achieved will depend more on cooperation for development and international agreements.

The effective mobilization and use of public resources will remain a critical aspect to achieve sustainable development. This will require additional and more effective international financing, including Official Development Assistance, South-South cooperation and other official flows. To complement existing public funds, there is also an important role for development banks at the national, regional and multilateral levels,

especially since private resources are not currently being channeled effectively in this direction. (UN, 2016)

Tax evasion and fraud and illicit financial flows have become an important difficulty for efficient mobilization of resources. According to the United Nations (2016), this can be improved with greater efforts towards international tax cooperation. The Sustainable Development Goals are:

1. End poverty in all its forms everywhere.
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
3. Ensure healthy lives and promote well-being for all at all ages.
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5. Achieve gender equality and empower all women and girls.
6. Ensure availability and sustainable management of water and sanitation for all.
7. Ensure access to affordable, reliable, sustainable and modern energy for all.
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
10. Reduce inequality within and among countries.
11. Make cities and human settlements inclusive, safe, resilient and sustainable.
12. Ensure sustainable consumption and production patterns.
13. Take urgent action to combat climate change and its impacts.
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Conclusion

The sustainability implies that something reaches continuity by itself but also in relation to its surroundings. An example of this is the planet Earth and its position within the solar system. For millions of years, it has maintained a dynamic position in relation to the Sun and other planets.

The Earth as an element of the solar system has reached its sustainability. The same system logic allows it to continue dynamically conserving its position with the corresponding results. In the same way, an economic agent achieves the sustainability of its strategies when its activities are perpetuated by the same system logic. The economic agent is not static, nor is the environment in which it operates.

The dynamics that the economic agent follows contributes to the logic of the system and it is in turn influenced by the system. Both feed off each other, making the millions of agents at the world level feed and shape the economic system. Climate change and new poverty profiles become elements that require the strategist to consider them; thus abandoning the unique vision of competitiveness and profitability.

Furthermore, considering climate change and the new poverty profiles will increase competitiveness and profitability, just because these factors transform the scenarios and their consideration facilitates the generation of sustainable strategy. In the present book, the Sustainable Development Goals are considered as the essential guidelines that facilitate the strategic consideration of climate change and the new poverty profiles to achieve greater competitiveness.

Hence the need to understand the world scenario through the Sustainable Development Goals (SDG). These objectives express the degree to which the system has been mined or saturated and which is the ways that allows it to continue. Understanding the new poverty profiles and climate change allows linking the SDGs with competitiveness, and not interpreting them as

independent and unrelated. It also facilitates the implementation of strategies in organizations that entail several of these objectives, while at the same time contributing to greater competitiveness and profitability of the organization

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