

Sustainable Development and Ethics

15 October 2021



Sinikesh Beyene Jimma, Chief, International Waters Unit, United Nations Environment Programme HQ, Nairobi, Kenya; AIB Doctoral Research (HDR) Candidate, Australia

Dr Diane Kalendra, Dr Mohsen Varsei, Dr Donald Winchester, Australian Institute of Business

Sustainable development is a complex and controversial concept that has increasingly become a global agenda since the release of the Brundtland Report in 1987. The question is, have our past few decades of development been sustainable? The answer might be 'NO'. We slowly forgot the [ethical foundations](#) of its definition: 'development that meets the needs of current generations without compromising the ability of future generations to meet their needs'.

One big-picture reason for our collective failure is that, against the ethical principle outlined in the Brundtland report, our contemporary business models and economic systems have disproportionately prioritized economic growth and largely neglected [social justice](#), solidarity with the world's poor, and environmental limits. This prioritization could be the main factor for rising inequality between communities around the world, and between generations.

Another reason is our bad execution in action. For decades, numerous sustainable development policies and programmes have been "nicely" designed and huge resources have been invested to implement them at the national and regional levels. But in practice, as described in the United Nations Department of Economic and Social Affairs (UNDESA) 2020 Report '[Inequality in a Rapidly Changing World](#)', most of the outputs of development projects have been insignificant or short-term.

In 2020 alone, USD 161.2 billion of official development aid ([ODA](#)) has flowed to developing countries with the goal of advancing economic growth and social welfare. However, development aid has often imposed some inappropriate policies on poor countries that are not aligned with local contexts. Or, funding for development projects has come with certain requirements which exclude local governments and communities from the decision-making process.

More importantly, several of these policies and programmes [have prevented](#) indigenous and local communities from using their own resources to improve their livelihoods, resulting in community failure as it undermines local knowledge and self-reliance as well as [project failure](#) due to lack of acceptance and ownership by the communities. It seems that we shatter local confidence instead of helping people to feel empowered; we systematically ignore bottom-up solutions or fail to integrate them with top-down policies.

Consequently, poverty is increasing at an alarming rate in various regions. The United Nations Food and Agriculture Organization (FAO) 2019 [report](#) indicates that still more than 820 million people suffer from hunger across the world, despite a three-fold increase in economic growth, energy use and resources exploitation. This is due to development policies and strategies that have failed to address the problem of unsustainable production and consumption patterns. Moreover, the most recent United Nations Secretary-General's report "[Our Common Agenda](#)" clearly highlights that increasing inequality and poverty have hindered progress towards the achievement of the United Nation's ambitious sustainable development goals (SDGs). The [report](#) has also warned that the SDGs will be off-track.

We are facing some ethical challenges. For example, international agreements, such as the [Paris Agreement](#) which focuses on the reduction of carbon emissions from major sectors to halt the impact of climate change, require ethical consideration and pragmatic action not to compromise the development of poor nations. For instance, one of the three objectives of the [Convention on Biological Diversity \(CBD\)](#) is the fair and equitable sharing of benefits from the utilization of genetic resources. This objective may not be materialized because the power of negotiation between the poor and the rich is not equal. In his [Who Sustains Whose Development?](#) article, Banerjee argues that negotiations often end up to the disadvantage of the poor. Imposing uniform regulations, both on developed and developing nations, regarding environment protection at the expense of the welfare of the poor is a vital ethical issue unfolding on the sustainable development agenda.

Other ethical issues are unfolding for the business sector. For example, [research reports](#) that many investments by multinational corporations have degraded not only natural resources, but also the indigenous and local cultures and practices that ensure food security and conservation of nature. Sustainability depends on businesses considering such ethical issues in balancing the [trade-offs](#) between economic, social, and environmental goals. By doing so, the business sector can play its vital role in advancing sustainable development.

For truly sustainable development, the poor need to be empowered to negotiate for fair and equitable benefit sharing. [Developing countries](#) need to be supported, and local and [indigenous communities](#) must be empowered to make choices and decisions on matters that impact their livelihoods and environments.



Dr. Diane Kalendra

Discipline Leader, Australian Institute of Business

Diane has over 25 years of experience as a professional marketer contributing to the success of major brands including Bristol-Myers Squibb, Faulding Pharmaceuticals, SOLA Optical and Australia Post. Diane also has entrepreneurial experience building multi-million-dollar businesses and Board experience with not-for-profits. Diane completed her doctoral degree (PhD) in 2007 on the topic of developing a market orientation using an action research approach while working full-time in industry.



Dr. Mohsen Varsei

Discipline Leader, Australian Institute of Business

Mohsen passionately facilitates strategic supply chain and operations management MBA subjects at AIB where he and students enjoy learning together.



Dr. Donald Winchester

Senior Lecturer, Australian Institute of Business

Donald is a Senior Lecturer in Finance and joined AIB in 2015. His research specialises in asset pricing, corporate governance and how information systems improve an organisation. He holds a PhD from UNSW, a Masters of Business Studies, an MBA and a Bachelor of Commerce and Management degree – all with a Finance Major.