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Global Leadership Education:
Managerial and Economic Implications of SDGs

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- We are living through the Anthropocene era, an era where humans have become the major force affecting change on our planet. Environment and social risks are threatening the "thrive-ability" of our society.
- In combating these risks, we require trillions of dollars in investments annually. And we need them in a very limited time. Trillions mean that we require a thousand-fold of our current investments in the field, and much more projects. This requires an **unrecognized managerial input** and tremendous effort by the planners, engineers, economists, etc.

"Governments and business leaders are short-term thinkers. True leaders are ones with long-term foresight!"

- We warned of this need with a campaign called "**$B to $T by 2020**", prior to the United Nations declaration. This calls for a transformation of nations, what we call "**Trans-From-Nation**".
- The United Nations achieved a remarkable agreement—Paris agreement. All the countries committed to reach the SDGs by **2030**. The Sustainable Development Goals (SDGs) represent a paradigm shift, a global agenda. **The states are responsible for that agenda**, and the companies, NGOs and citizens are required to shoulder in the responsibility to achieve the goals. The countries have 10 years to reach the goal!
- The COVID-19 pandemic has proven that we are able to transform our world, industries, culture and work, which can change drastically and **within weeks**. But the problem of climate change and other environmental changes are long-term—while governments and business leaders **are short-term thinkers. True leaders are ones with long-term foresight**!
- How can we obtain the necessary funds? The pension funds need long-term investments to back up their commitments. If they were to invest in SDGs, **it would be a perfect match**! One condition: it should have a high interest rate.
- There is now a **conflict between the government** that should be advancing SDGs, **and central banks** who set the interest rate close to 0% (meaning that does not incentivize long-term growth and investments!). As a rule of thumb, people should save about 30% of their income. But in contrast the savings rate is close to zero!

- Also, each dollar invested in the SDGs will not bring high yields because of "**externalities**" that are not taken into account. The prospective investor only receives the **economic** profits, while others (government or the public) get the **environmental and social benefits**.
- We have **no economic model that properly incorporates social and environmental ideas**. In the basic system land, capital and labor are considered to be in shortage. However, in the new economy we have "digitization", which is unlimited. In addition, there is no perfect competition, the natural resources are not represented in supply or demand, and they become externalities. [The Nobel Prize laureate Joseph Stiglitz (2012) argues that the "invisible hand" is invisible—because it is not always there!]. This means that neo-classical economics must make slight changes to what is **valued, l**ike multi-dimensional **Economy, Society, Environment and Consciousness** (**ESEC**). If the SDGs are the business of governments (through regulation), they could do this by approximation, subsidies, or by revising in the national **accounting standards.**
- **This way, we solve three of the major risks to the environment: We finance the SDGs, and create pensions and jobs for Millennials and future generations**.

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