

Competitiveness through sustainability?

Sustainability: derived from the Latin word *sustinere* {*tenere*: to hold; *sub*: under} it refers to something that is being upheld or endures. By definition, any economic activity has to be sustainable or will cease.

The Oxford Dictionaries define sustainability as “the ability to be maintained at a certain rate or level” and further as “the avoidance of the depletion of natural resources in order to maintain an ecological balance”. These definitions indicate very much the idea of growing within the limits of the planetary boundaries, which is also one of the biggest challenges of our time, considering the many threats related to the climate change or the extraction of natural resources. One would therefore tend to link sustainability to the ecological question only.

Yet, a broader understanding needs to be allocated to the concept of sustainability. It should include an ecological but also a social and economic pillar. Sustainability can be about saving the planet as well as about our economy, about creating future jobs, and generating investments.

Even though meeting Sustainable Development Goals is accompanied by high costs for companies, there has been a change of mindset in the business community. They are looking for the opportunity and the added value, making sustainability a source of competitiveness. Indeed, many disruptive technology trends will have an impact on the transition to a clean economy. Advanced robotics, artificial intelligence and 3D printing will have a strong impact on energy intensive industries. Decarbonisation, digitali-

sation and the integration of new technologies can bring companies a step forward. For example, even though it's still difficult to imagine that the production of emissions-free steel can be cost-efficient, there are pilot projects in Sweden using hydrogen produced from fossil-free electricity to replace coke and coal. By fostering innovation at the intersection of various disciplines, solutions for the future can be found. Moreover, our general understanding of value chains will change and expand. It will become more relevant to first determine which functionalities a product must have. For example, if the function needed is access to a person, a commodity, or a location, there will not necessarily be a need for transport, but other ways to satisfy this demand might have been developed (based on communication technologies etc.).

Still, if our goal is to decouple growth from resource consumption, more quality needs to be provided with the natural capacities at our disposal. They must be utilised in a truly efficient way. In this context, circular economy is a key element of the future-proof business model. Indeed, we note that companies become responsible for the recyclable components of their packaging; debates on plastics and waste are ongoing. At the same time, the demand for sustainable products or services becomes important at many levels of the supply chain and in our society more generally. Thus, products or services with specific features, meeting the United Nation's Sustainable Development Goals can make a real difference in the competitive positioning of a business. Finally, if there is enough investment in and space for innovation as well as experimentation, businesses will always find niches to reach their goal of economic, ecological, and social sustainability.

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