

Alpbach-Laxenburg Group Retreat 2016 27-30 August 2016, Alpbach Austria

New Business Models for Sustainable Development

The Sustainable Development Goals (SDGs) unanimously adopted by the United Nations in September 2015 provide an aspirational narrative for the desired future for human development in the world – a world free from hunger, injustice and absolute poverty, of inclusive and universal economic growth, based on transparency, dignity and equity. These goals have recently been strengthened by the Climate Agreement adopted by the 21st Conference of the Parties in December 2015. With the adoption of these historic agreements, the world has set out very clear and ambitious global goals across social, economic and environmental areas.

However, agreeing on a set of goals, is only the first step. Now the hard work of actually translating these aspirations into reality, through effective, scientifically substantiated implementation pathways begins. This implementation challenge cannot be achieved through sole reliance on international organizations or national governments, although they will be critical players. Effective implementation will require dedicated and targeted contributions from all sectors of society: public, private, and social.

The role of the private sector in driving a sustainable future cannot be underestimated. For too long, the private sector has been excluded from the debate around sustainable development. This sector, in particular ‘big business’, has often been viewed as being a major ‘part of the problem’ – as polluters of the environment, drivers of inequity through increased consumerism, and resistant to change because of perceived economic costs to their bottom line. However, the tide is rapidly turning. A number of global organizations representing the sector, and business in particular, such as the [World Business Council for Sustainable Development \(WBCSD\)](#) and the recently established (at the 2015 World Economic Forum at Davos) [Global Commission on Business and Sustainable Development](#), are leading and trailblazing the sustainable development agenda among global corporations. In addition, grass-roots organizations such as the [Impact Hub](#) are building a network of small innovative companies focused on developing sustainable industries. Also there is growing global movement for large investors to divest out of unsustainable industries and companies.

However, the necessary transformations required for the private sector to fully embrace the sustainable development agenda, are no less challenging than those required in other sectors, be it energy, agriculture, health, or government institutions. Although successful in the past, clearly the business principles underpinning the current global economy are expected to change fundamentally if we are to achieve the world’s sustainable development aspirations. It will require new business and financing models, new ways of thinking and new partnerships. Groundbreaking initiatives such as the [New Climate Economy](#), led by the Global Commission on the Economy and Climate, and the [Global Energy Assessment](#), led by [IIASA](#), need to be expanded and become the ‘new normal’ of how we do business for a sustainable future. Taking the lead from businesses such as those represented by the WBCSD, a new rhetoric of how sustainable development can be viewed as providing benefits and opportunities for business, rather than risks and costs, needs to be more widely understood and embraced by the more traditional international organizations and business community.

Bringing together global business leaders and thinkers, young entrepreneurs and investors, academics and researchers, this year’s Alpbach-Laxenburg Group retreat will focus on how best to address these business challenges for a sustainable future.