

Insights and Suggestions

Territories facing the challenge of Sustainability

by *Gian Paolo Cesaretti***

Today, for the whole of Humanity, the real challenge is that of “**Sustainability Empowerment**”. This is “the ability to make the right towards sustainability an establishing principle regarding a new project for Society, where well-being and its sustainability constitute a fundamental strategic goal” (www.fondazione-simonecesaretti.it).

The process of globalization of markets, not accompanied by a globalization of rights and rules, has led all countries towards a growing homologation of consumer’s patterns, of labor costs, of internalization levels for environmental costs, of taxation levels for capital, and of monetary policies.

With the result that, in the competitive positioning of strategies with regard to respective economic systems, pricing policies have ever more prevailed over a **Quality System Approach**: that is, the ability of all stakeholders to know how to jointly contribute towards the governance of the three fundamental functions of the Economy (allocation, accumulation, and distribution). A governance that must be efficient, effective, ethical, fair and, therefore, able to pursue a **Sustainability Project for Individual and Collective Well-being** through the internalization of the cost of scarcity of the four capital stocks: natural, human, social, and economic, both quantitatively and qualitatively.

Instead, the pursuit of the satisfaction of human needs aimed at creating well-being in terms of material living conditions and quality of life has been carried out for too long by “outsourcing the costs of shortage” for capital stocks. This has generated numerous negative effects: “dumping competition” with respect to financial capital, creation of public debt, scarce private savings, and exploitation of natural capital, beyond its ability to carry out its

** President of the Simone Cesaretti Foundation.

three fundamental functions: disaggregation of share capital, inadequate investment in human capital, and insufficient investments in research and innovation.

All this has occurred at the expense of future generations, causing inequalities among current ones and strong imbalances in development trends among countries and local systems, furthermore generating a “culture of waste”: a marginalization of youths, environment, territories, “minorities”, in a broad sense or, even better, those who have no voice and, therefore, future generations, as well.

In summary, the “non-internalization of the costs of scarcity”, in terms of capital stock (economic, social, environmental, and human), has determined an incorrect governance with regard to how the global economy has fulfilled its three core functions: accumulation of resources, their allocation, and distribution of wealth produced. This leads to the rise of the emergence of a multitude of “issues”: poverty, inequalities, environmental damage, etc. and, thus, the unsustainability of the current model of development.

It then becomes necessary to “internalize the costs of scarcity” in the current model of global society development:

- minimizing the use of capital stocks in their allocation;
- supporting the process of capital stock accumulation by focusing on the renewal of natural resources, on the quality of human capital, on the balance between speculative and productive capital, and on the non-disintegration of society;
- modifying the distribution patterns of wealth produced, therefore, not “marginalizing” people, countries, and local systems.

In short, efficiency and effectiveness in the allocation of resources, ethics in capital stock accumulation, and equity in the distribution of wealth. This would result in a different quality of global macroeconomic growth, a different quality of Planet, greater adherence of goods and services produced by Global Economy to satisfy consumers’ needs, and a departure from a culture of waste.

In September 2015, the United Nations approved the Global Agenda for Sustainable Development and its Goals (SDGs), to be reached by 2030. By approving the Agenda, more than 170 countries worldwide recognized that the actual development model is unsustainable, and it is necessary to have an integrated approach, in order to reach all the 17 goals.

On March 13, 2017, the “National Strategy for Sustainable Development” was presented, in compliance with the engagement undertaken in Paris by Italy, along with the other countries, in implementing Agenda 2030.

Within the new context devised by this national strategy, besides implementing territorial development strategies capable of internalizing the costs of scarcity, individual local systems must seek a competitive positioning within the current globalization process. All in all, they will have to know how to define a new and successful “**Paradigm of Territorial Sustainability**”.

For all territorial stakeholders, the ability will be imposed to offer their own contribution, both towards “Quality System Approach”, as defined above, and towards a competitive positioning strategy, compatible with such.

A **non-homologation strategy**, therefore, constitutes the other pillar of a “**Territorial Sustainability Paradigm**”. In fact, within its own strategic assets, each territory presents elements of non-homologation in relation to which they have to implement actions to protect, support, enhance and promote them. These actions should be able to determine a multiplier effect with respect to the entire **System** of the **Territory**.

To businesses, to consumers, to the system of knowledge and of the media, to NGOs that work to protect exclusive potential benefits – such as natural, human, and social capital – to local policy makers, goes the task of identifying behavioral models, which are in line with both the **Quality System Approach**, as well as with the enhancement of the elements of territorial non-homologation.

As President of Simone Cesaretti Foundation, I hope that these are the fields of research towards which the best energies will be concentrated.

This is the research field that Simone Cesaretti Foundation intends to support.