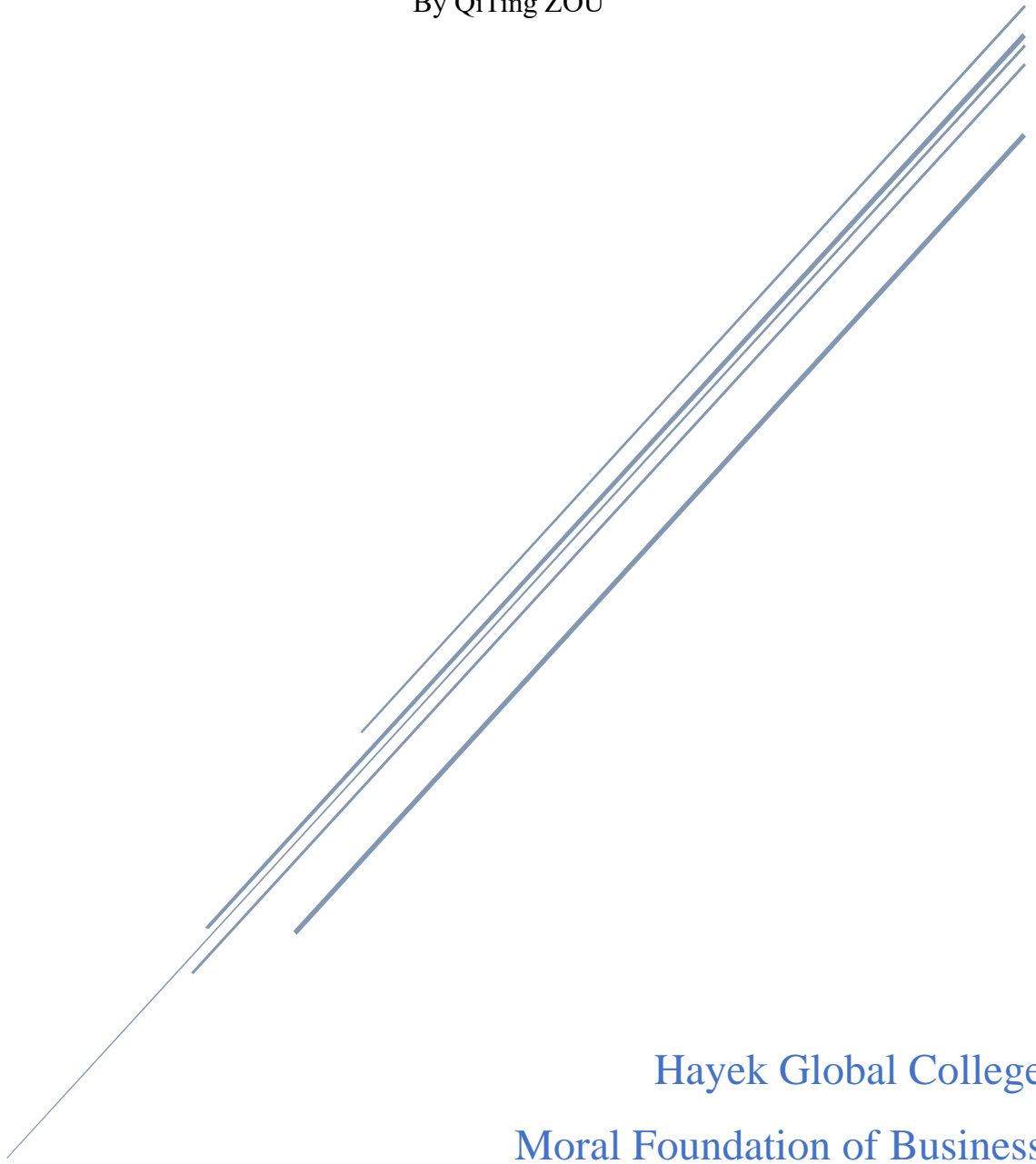


CORPERATE SOCIAL RESPONSIBILITY

A possible Solution to an Environment-, Society- and Governance-related Dilemma

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2023

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A Problem – Solution Report

Earth, the blue planet in the immense universe, hosts various species of lifeforms. Following its development into the 21st century, it has been dominated by human activities from agricultural state to nowadays a modern economic entity. Big enough to accommodate all suitable lifeforms at its initial status, it is now getting too small to allow for natural consumption, and already provides far less than is required for the large and still continuously expanding population. Ecosystems are visibly imbalanced and the relation between nature and residential/production areas is unnaturally proportioned. On this planet, the world that humanity has been living on ever since, and where humans have been debating for centuries on how to solve the living problems without copying the tragedy of dinosaurs, the task is to survive not just for today, but for generations after generations to come. To achieve this, natural resources shall be conserved and used wisely to satisfy the huge demand stemming from earthly activities.

However, the world of today finds itself at the brink of change. While humanity, society and the world develop, the direction is not always concurrent. The world itself does neither grow nor does it change in anyway beneficial to the development of humanity. Humanity on the other hand grows exponentially, outgrowing its habitat and thereby outnumbering natural and sustainable resources. While society, depending on the dominant culture, measures success in certain ways, it all subsequently ignores the sustainable natural development as such. Systematic measures of success and failure, as well as of progress, are generally based on mere numbers with numerical data grouped in categorical data, and thereby simply generalised. Success and progress as well as development often wrongfully appear under the cloud of advancement. Failure, opposing to this, is seen as a lack of said advancement. The dilemma here is evident. With limited space and limited resources, furthermore running out of those space and resources, humanity nevertheless seeks to strive in glory by growing in itself and in its consumption, with a focus on profit and wealth.

Identification of an ESG challenge

ESG, short for Environment, Society, and Governance, is a commercial product introduced in 2004. One key and connecting factor among environment, society and governance are people.

On Earth, all people carry their own unique personality and gather into numerous communities. Generations after generations, they form independently developing cultures, speak various languages, cultivate different ethics, contribute discrete knowledge, and more. These are the shapes of diversity, where conflicts have always been along. In some culture, it is considered eating a certain food as good for health, yet for another culture, it is damaging the body. Pronunciation of a kind word in one language might be sounding as taboo word in another. Doing something right in some area does not mean the behaviour is considered right in another area.

Subsequently, it all comes down to people.

In today's societies, some people are in the role of shareholder, owning part of the world, and stakeholder, who focus on survival more or less. The small group of people within this role who are specified as shareholder, are driven generally by direct business interest. Different roles are differently oriented, which results in a fundamental challenge that ESG faces:

*There is no clearly defined unity
amongst the people (shareholder and stakeholder) of the world.*

Following this, it is understandable, why it is so difficult to easily find full consensus within the governments and societies of this world on the steps and measures that have to be taken in order to save the environment and thereby to save the planet, the only option of home to humanity inhabiting it. While some measure may seem good and acceptable for some, it has often devastating effects for others. Nature knows no boundaries other than the limits of this planet. Air, water and nature all together do not stop at a border. Pollution and poisoning follow them accordingly.

Description of the Macro-Economy

Given the unique status and situation under which humanity lives on this planet, the planet Earth of today should only be considered as one global community with one macro-economy, covering centralized micro-economies in defined regions and countries of production and consumption.

Macroeconomy is a large-scale system to organise businesses, industries, markets of the globe, to achieve output of benefits to its maximization. The health of the macroeconomy of a country, as of the planet all together, represents a system in its own function. To measure, and therefore to analyse the macroeconomy, certain indicators such as Gross Domestic Product (GDP), Gross National Product (GNP), inflation, unemployment, and interest rate are used as guideline and reference accordingly. However, these indicators only reveal the development of a country's industry, but neglect the state of the environment and society, being unable to represent how people live or how environment develops. It is undoubted that healthy environment provides a healthy human force to the society which can result in healthy progression of the industries. Following this fact, indicators for society – like education, health and lifestyle must be taken into consideration.

As a corporate shareholder, as owner of the company or business interest, the focus is mainly on profitable business with adequate Return on Investment. However, Corporate Social Responsibility interest is increasing within the industries, since shareholders are considerable stakeholders too.

On the other hand, the stakeholder is mainly interested in sustainable and profitable business, with a sustainable return for the nature of the relevant stake, and mostly the stakeholder has interest in the positive effect of the relevant business activity on the relevant nature of stake (e.g. community).

Background Research Summary

Community Engagement

Literally, Community Engagement is simply the engagement of community. Its comprehensive definition given by Centers for Disease Control (CDC) has been widely recognised – “Community Engagement is...the process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest, or similar situations to address issues affecting the well-being of those people. It is a powerful vehicle for bringing about environmental and behavioural changes that will improve the health of the community and its members. It often involves partnerships and coalitions that help mobilize resources and influence systems, change relationships among partners, and serve as catalysts for changing policies, programs, and practices.” (CDC, 1997, P.9)

Activities of Community Engagement include volunteering for the community benefit, maintaining a community garden, helping set up a local farmers market, advocating for others, creating support groups in a community, attending and participating in town hall and city council meetings, attending and participating in school board meetings and others that are doing good for the community.

Philanthropy

Philanthropy, a word rooting from Greek of meaning “loving people”, carries the will, actions and spirit of individuals to voluntarily pay back to the society, generally from which one has grown, with generosity of returned value. Offering more than just donation, and differing from charity, philanthropy is a directed effort and engagement that individuals voluntarily undertake to improve the welfare of people and the society as a whole. For taking part in philanthropy, the individual is generally required to be well-off and financially independently secured in life, without any responsibilities that may lead to hardship.

In a further step, reflecting organized philanthropy, individuals are combined to the extent of a group, by effect. As an example Lions International, being a global philanthropic organization with humanitarian and community engagement arms, has

been an exemplary pioneer in taking efficient and timeous action, showing passion, enjoying time together in philanthropic activities as one global family for over a century.

Cooperate Social Responsibility (CSR)

Cooperate Social Responsibility, also seen as a part of Global Citizenship, is a model of self-determination in business, which guides companies to take social responsibility for their environment, their shareholder and the public as stakeholder. Accepting such responsibility voluntarily, companies are encouraged to operate and develop their businesses in a way that now reflects sustainability of and for the planet, and at the same time, is contributing positive effects towards both, society and environment. CSR is generally seen as the framework for ESG initiatives.

Since scarcity of resources on earth is undoubted, CSR provides the only strategy that companies should use in order to give back to the societies and their environment through ways considering the environment, society, government, ethics, even finance and more, in order to compensate for what they have taken from their environment and which allowed them to progress their businesses. However it is subsequently called, it does not matter, as long as the thought and effect remain the same.

Examples are:

- Environmental Responsibility

Companies shall reduce pollution, waste, consumption of natural resources and harmful emissions during and through improvement of the manufacturing processes. Recycling materials throughout all processes and influencing people to recycle are engagements for the society and environment in and out.

- Ethical Responsibility

Companies shall create a fair and positive treatment among all kinds of people, where discrimination of race, age, and culture does not appear, and where mistreatment of people is avoided.

- Humanitarian Responsibility

Organising employees as a group, or encourage employees to take part in humanitarian and possibly philanthropic activities, together to make some time and put some effort

(not necessarily monetary effort), and then to contribute to communities, are the most direct ways to give back to the society for an individual.

- **Financial Responsibility**

Investment into sustainable new products and into different types of talents (investment into people, people investor) are the obvious examples to show financial responsibility of a company in the societies and for the environment.

Sustainable Development Goal (SDG)

Launched by the United Nations in 2015 as an extension of the 2010 Agenda, the 2030 Agenda for Sustainable Development has been adopted by all United Nations Member States since the year it was announced. According to the UN history record, “the 2030 Agenda for Sustainable Development provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership”. (UN History, 2023) A long-term milestone is furthermore set to the year 2050.

Stakeholder Perspective Review

Stakeholder engagement has become a widely used but generally undefined measure in industry and community research. The academic sources do not provide a mutual definition of the basic idea of stakeholder engagement, and the loosely application of stakeholder engagement activities do not offer a solid base for unified action. Subsequently, it requires open communication among all parties and mutual understanding on the ultimate purpose of the enterprises.

Stakeholders can be seen as persons or a group thereof which receive a direct or more likely indirect effect from a specific business operation. It may well be said that inclusion of stakeholders can subsequently create more value not only for the stakeholders, but also for the business itself.

As already expressed above, it is all related to people. The most important stakeholder are people, and this group includes the people who are shareholders alike. Yet if one thinks of oneself only, this is not enough, as people are not the only species living on planet Earth. One shall not forget the nature which has provided a livable environment to every living being, including flowers and animals (flora and fauna) who naturally are meant to co-exist with the human race, providing food and medication, bringing joy of life and prosperity from this natural environment.

Obsessed with the direct business interest, shareholders pull themselves out of life interest towards profit, which leads them considering less of the environmental aspects while all natural resources are running out and one is not able to create renewable resources efficiently, not even effectively, to overcome the speed of human consumption. At this stage, one simple question shall be asked:

Do people actually care if the world continues to exist after their death?

Interaction and Synergy Assessment

It is all about people. Since people dominate the world, then why do they not naturally invest into people. People hold the power to change the world. It starts with one and catches most. Based on the Pareto Principle, the rule of 20-80 explains it all, where 20% of the time, resources, and effort input eventually accounts for 80% of the results and rewards. Hence, it does not need everyone to be on the same page. Most of all, it requires the spark which initiates the activities. Subsequently, more and more forces will join and lead the way. Even if competing systems develop, since they have the same goal, they can do nothing else but support each other and make everyone pull on the same string. One example is: The Western system of Build Back Better World (B3W) and the Chinese system of One Belt One Road Initiative (OBOR/BRI). As it can be seen, all stakeholders will subsequently work together, one way or the other, as government initiatives, corporate ambitions and individual effects under Legal Frameworks, Community Engagement, Corporate Social Responsibility and Philanthropy will play together for a sustainable and secured future in prosperity for all. However, here the dilemma becomes most obvious. If individuals, countries or regions place profit and growth over the preservation of the environment, the only one that is available to everyone, without any alternative at all, problems will persist.

Government Response Analysis

Complete freedom creates chaos, as humanity has proven over millennia that it cannot deal with freedom responsibly. Therefore, it is necessary to create and develop regulations in order to keep things under management with reasonable and often limited freedom. Each country is a big community, and in the world all together, hundreds of big communities are expected to co-exist in one big global community. Each country has its own central government, considered sovereign in itself. How to unite these hundreds of countries to cooperate for and in harmony? There is no doubt, that it is necessary to make governments work hand in hand, and to prepare the base for success on global level with grassroot origins in each culture – just as envisaged under the United Nations, Sustainable Development Goals (UN SDG). However, this may require a common and mutually beneficial global governance with nevertheless powers of implementation and enforcement, which are likely to be rejected when becoming evident, as it cuts into sovereignty and national pride of cultures and countries.

Corporate Response Review

As a look at the GDP can only represent the theoretical development and growth of a region, country or community, it nevertheless does not reveal the environmental and social damage behind the number. To further manage a country's, region's or community's, and thereby the world's sustainable development, indexes of people's health, education and lifestyle are rather more connecting to the society. With the help of corporations, solutions to identified problems can be spread nimbly across the globe, while maintaining political stands, using wider networks, investing funds and providing innovative ideas, aiming at building a supportive corporate environment of cooperation to assist the government and the people to strive for a better future with prosperity for all. As a matter of fact, corporations may even relieve governments in their duties.

Competitive Market Response Option

Government response is setting regulations on the environment, while market response is to encourage or even enforce a self-regulatory business environment. Self-regulation

remains with freedom within boundaries to create supportive markets for the environment and its societies, allowing corporations to satisfy the shareholders and at the same time, continuing to develop the businesses without damaging the harmony in the societies and the natural environment.

Evidence and Data

Representative Industrial Survey Findings

In order to show the effect of ESG on business and consumer, data from a study conducted by McKinsey and NielsenIQ is included in the following. This study appears not only to be representative, yet also relevant and trustworthy. With a recently shared opinion, Steve Noble of McKinsey comments on the finding of the survey, which were published on 06 February 2023. He details that there is a significant correlation between ESG claims relating to a product, and sales growth. During the market research under NielsenIQ, which looks at US consumer spending at a volume of USD 14 trillion representing two-thirds of the US GDP, the special focus was on the subset of everyday consumer packaged goods (CPG) ranging from food and beverage to cosmetics and cleaning products as a critical component, especially in terms of sustainable and inclusive efforts. As in many areas of the economies, also here, there is a clear indication on the direction towards environmental and social responsibility in business practice. Referring to a 2020 McKinsey US consumer sentiment survey, Steve Noble furthermore points out that a clear response of over 60% is in favour of sustainable packaging. In a more recent study by NielsenIQ, more than 78% of US consumer even responded that a sustainable lifestyle is important to them. However, according to another McKinsey survey among CPG executives, and as Steve Noble mentions, the inability to create sufficient demand for ESG products on side of the consumer is causing disappointing sales numbers. One question raised by Steve Noble in this context is: How can it be that consumer care about ESG yet the sales of ESG products falls short? Many more questions related to this difference were raised and subsequently investigated by McKinsey and NielsenIQ in a joint effort to find answers. The result, inter alia, is that creating ESG products is not only a moral imperative for businesses, yet also a solid business decision. Extracts of the study are added further down, a link to the full study can be found under the reference section of this report. However, one point worth mentioning is that the study talks about ESG “claims” on products and their effect on sales, and does not look at the truth behind the claims. Yet, it is considered

that the claims are expected to be backed by transparency and accountability in the modern world of social media, internet and investigating research. The main findings of the research are summarised by McKinsey in the following diagrams.

Exhibit 1

Products that make environmental, social, and governance-related claims have achieved disproportionate growth.

Retail sales growth, US, CAGR 2018–22, %



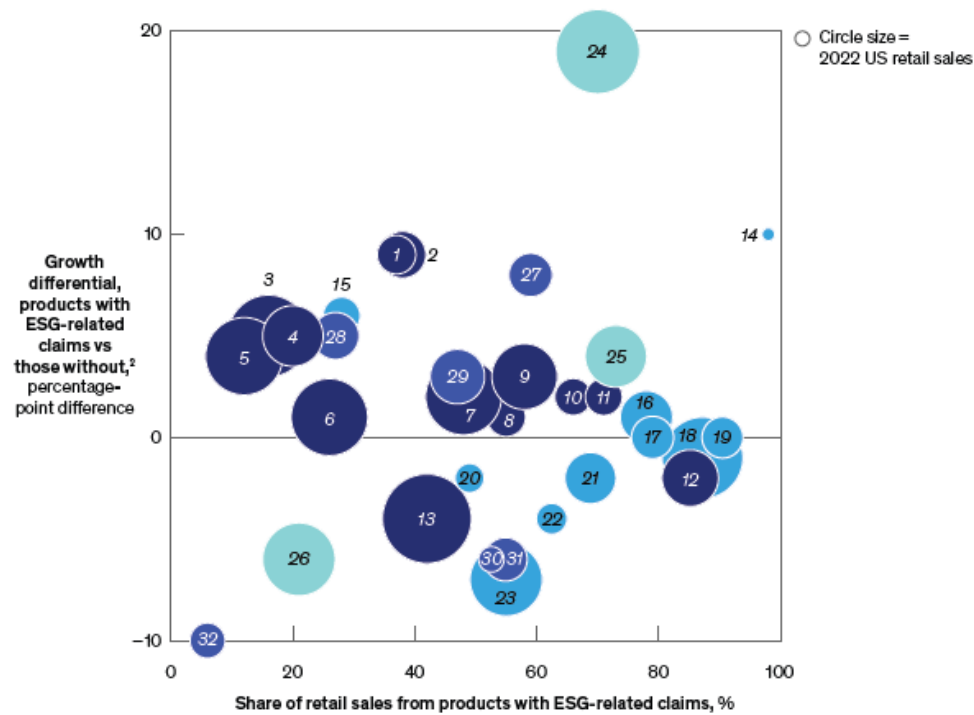
*Environmental, social, and governance.
Source: NielsenIQ

McKinsey & Company

Exhibit 2

Prevalence and performance of environmental, social, and governance-related claims vary by product category.

Growth differential vs prevalence of ESG¹-related claims by product category



- | | | |
|-------------------------|----------------------------------|-----------------------------|
| ● Food | ● Beverage | ● Household |
| 1 Sweet snacks | 14 Kombucha | 24 Paper and plastics |
| 2 Yogurt | 15 Sports drinks | 25 Laundry care |
| 3 Cheese | 16 Packaged coffee | 26 Pet foods |
| 4 Fully cooked meat | 17 Fruit drinks | ● Personal care |
| 5 Candy, gum, and mints | 18 Soft drinks | 27 Bath and shower |
| 6 Desserts | 19 Fruit juice | 28 Cosmetics, nail grooming |
| 7 Frozen prepared food | 20 Ready-to-drink coffee | 29 Hair care |
| 8 Diet and nutrition | 21 Water | 30 Baby food |
| 9 Seafood | 22 Liquid tea | 31 Diapers |
| 10 Baking staples | 23 Beer, cider, FMB ³ | 32 Baby formula |
| 11 Condiments | | |
| 12 Cereal and granola | | |
| 13 Salty snacks | | |

¹Environmental, social, and governance.
²Difference between June 2018–June 2022 CAGR growth for products with ESG-related claims vs those without.
³Flavored malt beverages.
 Source: NielsenIQ

McKinsey & Company

Exhibit 3

Environmental, social, and governance-related claims can help boost growth for a variety of brand types.

Share of categories with outside growth for products with ESG¹-related claims by brand type, US,² %



Note: Among national brands, large brands comprise the top 60% of sales, medium brands are the next 20%, small brands are the next 15%, and smallest brands are the bottom 5%.

¹Environmental, social, and governance.

²Outside growth indicates categories in which the growth rate of products with sustainable claims exceeds that of products without sustainable claims.

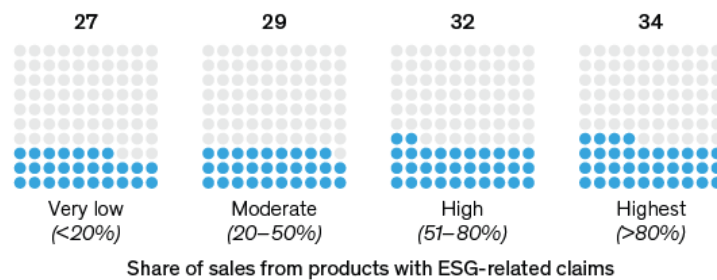
Source: NielsenIQ

McKinsey & Company

Exhibit 4

Brands with more sales from products making environmental, social, and governance-related claims enjoy greater loyalty.

Brand repeat rate by level of sales from products with ESG¹-related claims, US,² %



¹Environmental, social, and governance.

²Share of households buying a product 3 or more times annually.

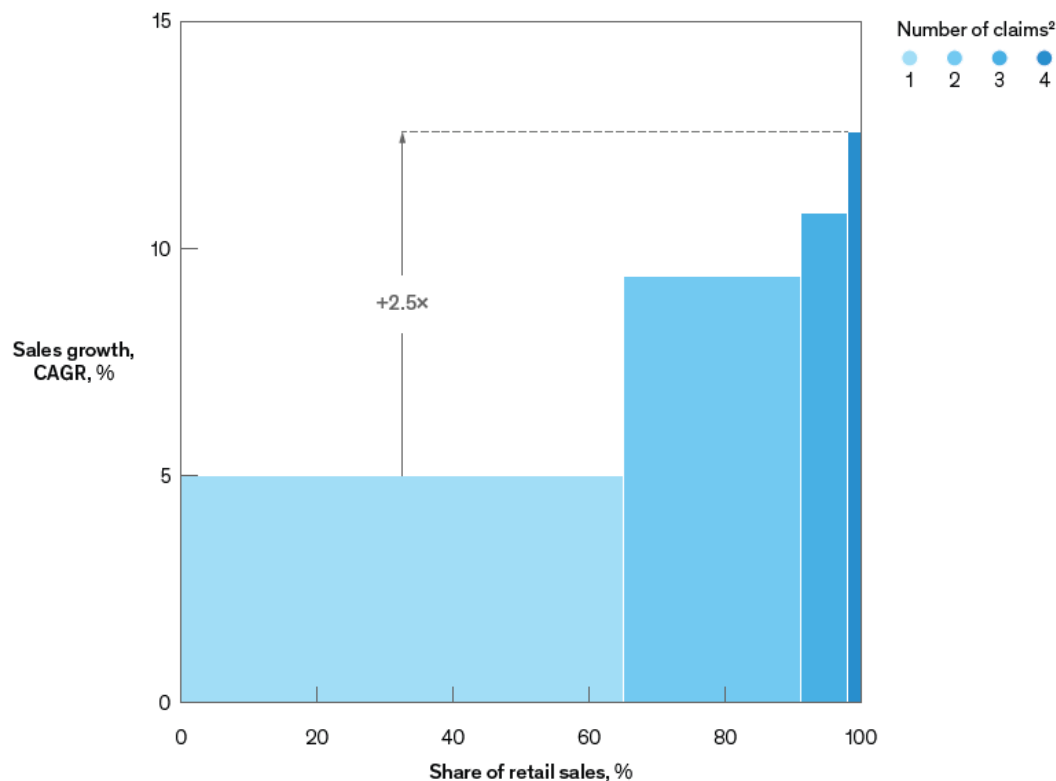
Source: NielsenIQ consumer panel, comprising 100,000 households, Sept 2020–22

McKinsey & Company

Exhibit 5

Making multiple environmental, social, and governance-related claims across claim types is associated with higher product growth.

Sales growth vs share of retail sales by number of ESG¹-related claims made by a product, US, 2018–22



¹Environmental, social, and governance.
²There are 6 types of claims; scenario types 5 and 6 were not included due to low sample size.
 Source: NielsenIQ

McKinsey & Company

In terms of Community Engagement and Philanthropy, there is not much of data available. It is seen that, generally, given data on Community Engagement by governments looks very good for the public as does the data published by businesses on their Corporate Social Responsibility activities. On the other hand, data on Philanthropy seems to be undervalued. Here it is seen that individuals engaging in Philanthropy attempt to remain in the shadow rather than boasting about their contributions. Thereby it is safe to consider that the data which can be found in numerous sources appears to be unreliable. Further down towards the end of this section are some diagrams which reflect a general understanding on the situation as displayed publicly. However, due to the aforementioned reasons, these diagrams are for illustration purposes only. Taking this into consideration, most of this report is based on

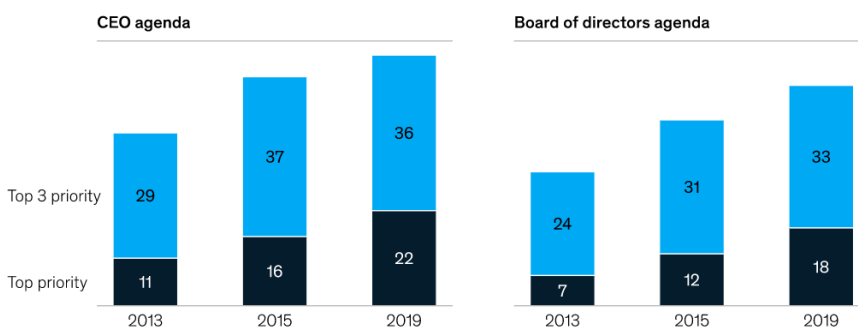
personal experience and internal business operation data which needs to be kept confidential due to their sensitive nature.

The Five Stage Stakeholder Engagement Framework



External engagement has been a growing priority for CEOs and board directors.

Priority of external engagement on leaders' agendas, % of respondents¹

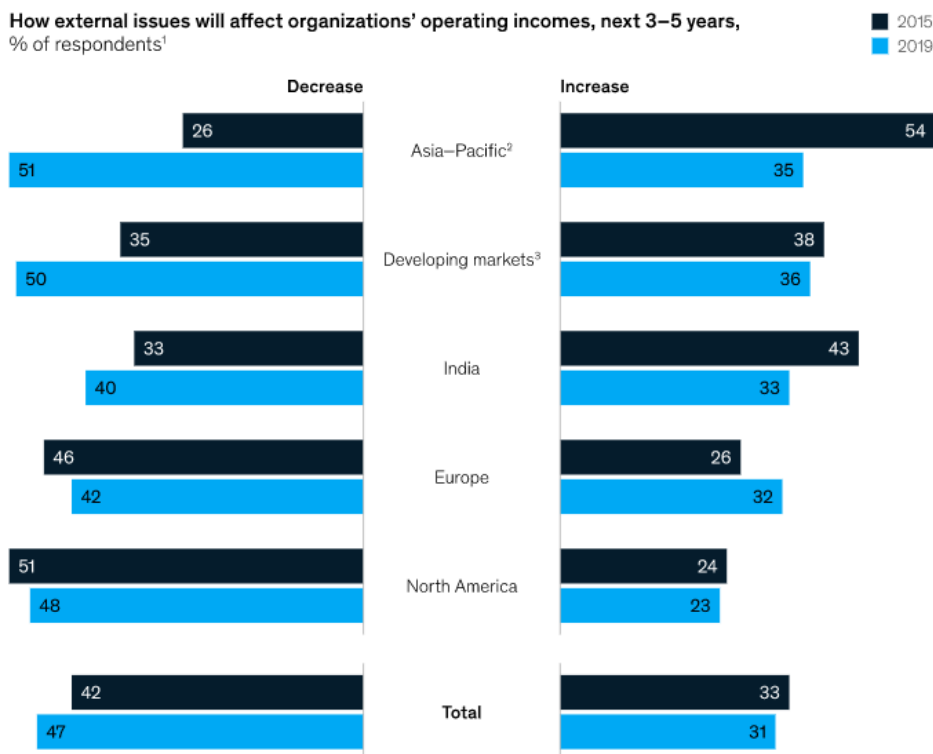


¹ Respondents who said "top 10 priority," "not a top priority," "not on the agenda," or "don't know" are not shown. In 2013, n = 2,186; in 2015, n = 1,334; and in 2019, n = 1,418.



Respondents in Asia-Pacific and developing markets have become more likely to see external-engagement issues as a risk.

How external issues will affect organizations' operating incomes, next 3-5 years, % of respondents¹



¹ Respondents who said "no effect" or "don't know/not applicable" are not shown. In Asia-Pacific, n = 167 in 2015, and n = 158 in 2019; in developing markets, n = 234 in 2015, and n = 288 in 2019; in India, n = 107 in 2015, and n = 129 in 2019; in Europe, n = 474 in 2015, and n = 524 in 2019; and in North America, n = 352 in 2015, and n = 319 in 2019.

² Includes respondents in Australia, Hong Kong, Japan, New Zealand, Philippines, Singapore, South Korea, and Taiwan.

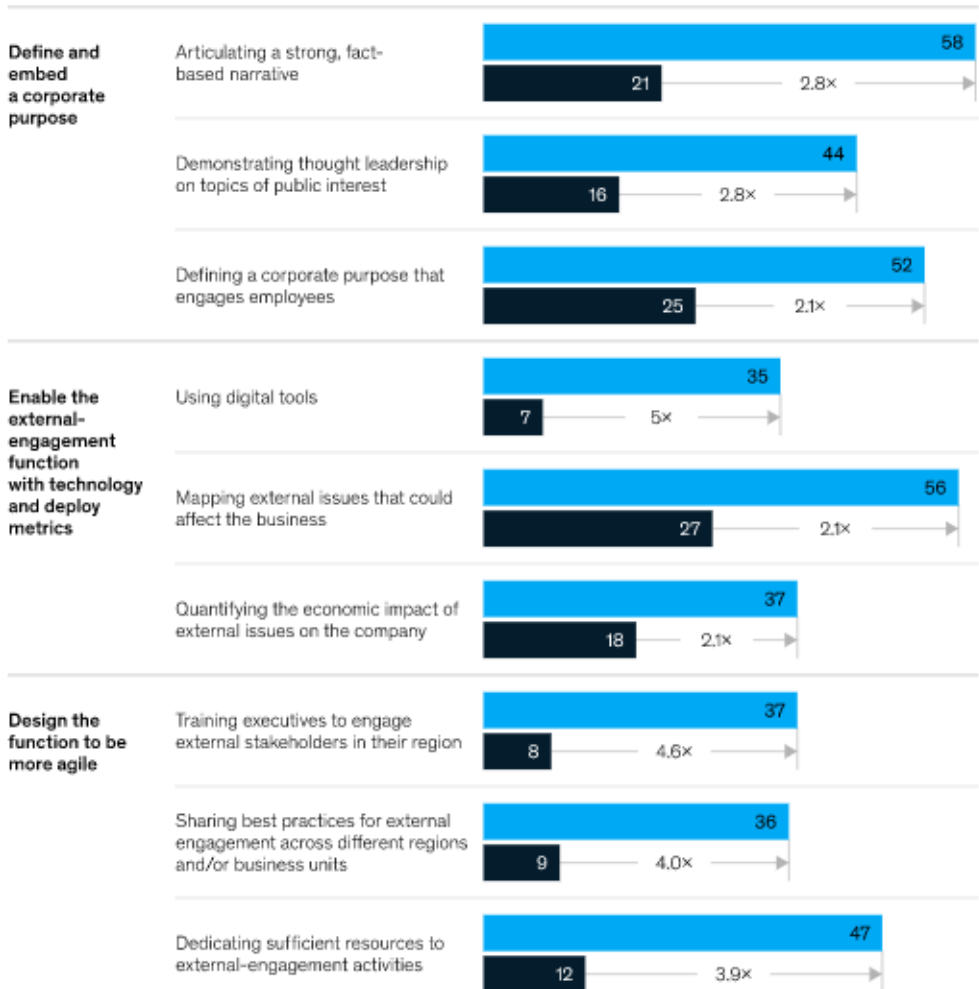
³ Includes respondents in China, Latin America, Middle East, and North Africa.



Organizations that excel at external engagement have strong capabilities in three distinct areas.

% of respondents saying their companies are very effective at given practice¹

■ At high-performing organizations² (n = 109)
 ■ At all other organizations (n = 1,309)



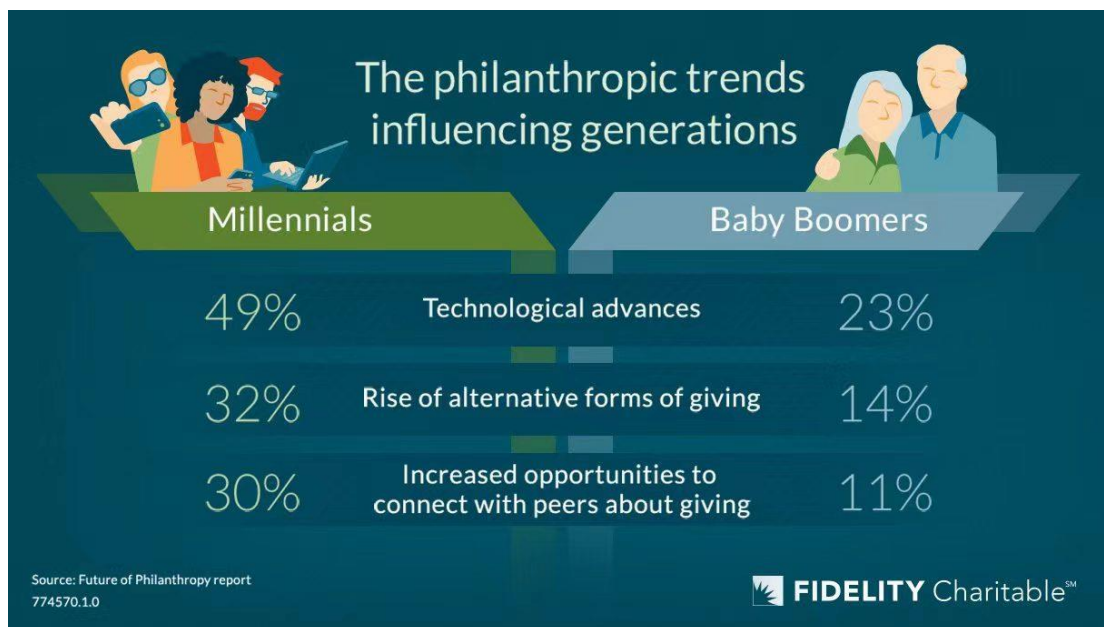
¹Out of 16 capabilities tested in the survey.
²Respondents who said their companies were frequently successful at shaping the debate around government policy and/or regulatory decisions that could affect their business environments and at protecting and/or enhancing their corporate reputation among civil-society groups (e.g., nongovernmental organizations, consumer groups).

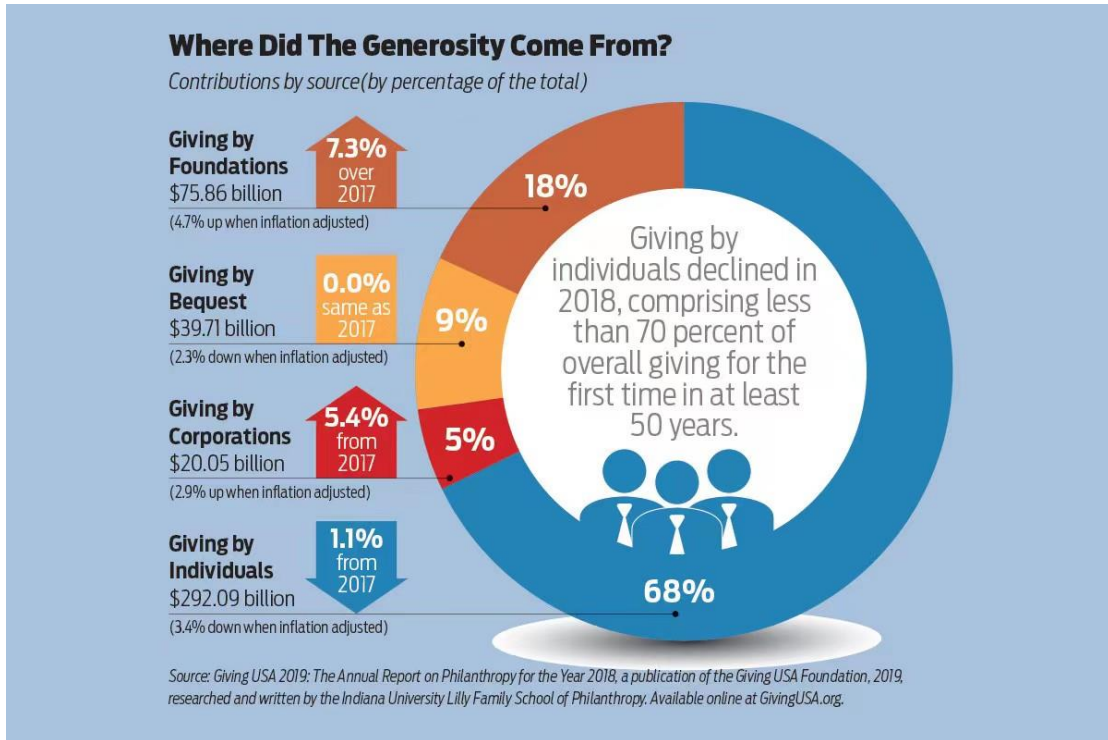


**Global Philanthropy Environment Index Scores
by Region and by Factor Measured**



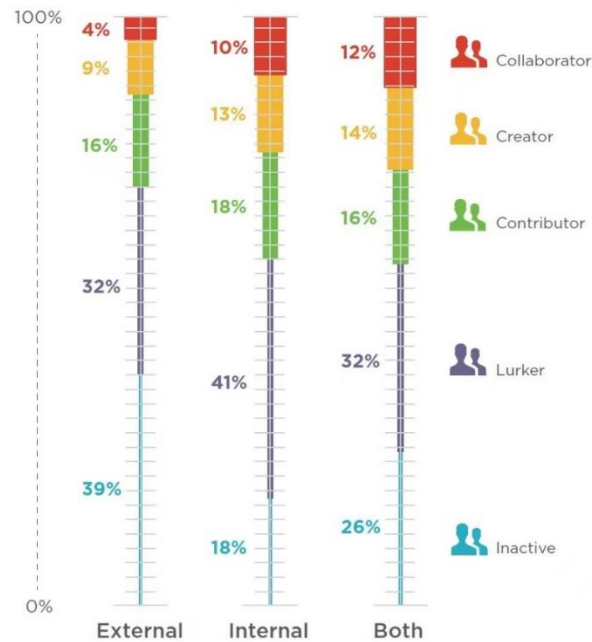
Source: Indiana University Lilly Family School of Philanthropy, 2018 Global Philanthropy Environment Index





2015 The State of Community Management

ENGAGEMENT PROFILES BY COMMUNITY TYPE:




THE COMMUNITY ROUNDTABLE <http://the.cr/socm2015>

Reflection on Ethical Considerations

Even though the consideration of the environment, society and governance relating to business has been a widely followed standard, the fact remains unchanged that ESG is only a new managerial and analytic approach to create a framework that may help to understand and measure how sustainably an organization is operating. However, it is by its nature only for investment purposes and has no relevance whatsoever towards governments, society, and industry, being simply a private, unaccredited, self-regulating initiative, without any other aim than increasing profitability for itself and the people involved on side of the organization.

Contrary to ESG aiming at the shareholder, Corporate Social Responsibility (CSR) activities and Sustainable Development Goals (SDG) are absolutely separated from ESG and represent the best benefit for all stakeholders on a united scope with global acceptance and increasing support. For this reason, Corporate Social Responsibility and Sustainable Development Goals have greater and better influence in and on the societies, environment, and furthermore regarding government and market response, they offer more room to move and develop.

Presentation and Communication of Findings

See .ppt.

Conclusion & Recommendation

Subsequently, it appears to be a good choice to create a solution with the support of all, the market, i.e. industry and consumer, as well as the government, in a joint effort. Ideally, a task, study, and research group should be formed and represent every stakeholder group according to relevance and demography, under the guidance of the government with support of industrial leaders. Think-tanks can serve, together with humanitarian and philanthropic organisations as champions and catalysts for the idea of successful stakeholder engagement. The involvement of activists and community

action groups should be avoided by all means in order to prevent the project from derailing or from being abused and thereby sabotaged under own, personal agendas.



While there are surely many specific solutions for specific problems, either required or even available, a general approach as outlined above is a more satisfying, cost-efficient, and hence sustainable approach, as thereby specific issues will rather be avoided than created. It is acknowledged, though, that there is no one-fits-all solution.

Introducing the stakeholder into the corporate equation with an activity based on Corporate Social Responsibility (or ESG) initiatives in pursuit of profits is expected to yield a highly positive effect on profits by deepening stakeholder engagements. Overall, it is furthermore expected that, after the initial investment, given a healthy market with educated stakeholder and a significant need coupled with government drives towards it, the effect will be even stronger.

Since entrepreneurship and innovation activities in any given market should already be driven by the influence of the stakeholder related to such market, in and around it, the effect of stakeholder introduction can only be strengthening and more positive than only the initiating factor as such. Through this effect, entrepreneurs and innovators will gain a considerable niche due to the nature of their economic activities (business idea), as well as based on their business flexibility (e.g. size), and allow them to enjoy a head-

start by time compared to the major and established key players within the given industry. Stakeholder introduction towards business activities under Entrepreneurship & Innovation will thereby additionally have a favourable effect for all parties involved, hence, especially the stakeholders, and the cause.

Looking at the net impact of this business process on the economic growth and prosperity within the given market, it can be estimated that the net impact should be not only highly positive yet also sustainable, since the correlating processes address major and pressing issues that relate more or less directly to every stakeholder. A direct result thereof is furthermore prosperity and most of all, a future, for all stakeholder.

Based on the nature of the current situation and the directly related future, as it is faced by all communities all around the planet, and thereby all stakeholder, it should not even raise any question about any opportunity cost anyway, as there is, in effect, no choice:

The planet is dying and the situation may become irreversible soon.

The net impact of introduction of Corporate Social Responsibility and community engagement (also under ESG) activities to the world can be expected to be massive and entirely positive, as this is not the right way to go, but seriously the only way to go in order to keep some, even if small chance for the survival of humanity on this planet.

Furthermore, the reach into other markets through migration and trade is even more supportive to the idea and shall bring the desperately needed spirit and understanding to even the furthest located place.

In today's world, there is actually more responsibility placed on individuals but also businesses, individually. One major reason seems to be the support of governments in concern of their functioning. Being known to the educated individual, since the times of Greek philosophy, the focus here is mainly on society, environment, and the governance thereof. Community engagement and philanthropy in a variety of different ways is found to be a suitable way to address modern and pressing issues in our world.

Potential Solutions

In order to find ways that addresses the dilemma, the root cause leading to the dilemma as well as the effect resulting from the dilemma, there are several ways to approach this situation. By now, it is probably known to most and probably clear to many that the advancement of humanity based on growth development and any aspects thereof is not sustainable at all. As it can be seen on a global perspective, there are a few projects which aim at guiding humanity into the right direction. Aside from individual stakeholder, which turn into key players given their engagement, the main pillars of solutions are government, society through the market, and the industry itself. Since the individuals have only limited effect and are mainly engaged in awareness and education within the society, governments, industries, and markets are especially in terms of long-term strategies, a much stronger voice and force. Potential solution for this dilemma through the government would be based on control and restrictions, yet therefore also likely be rejected by large numbers of people within the society which generally praises itself for its freedoms. The market requires a strong voice from side of the consumer base which nevertheless will often be silenced by price and quality aspects. The industry as the providing party can achieve a lot through activities under Cooperate Social Responsibilities, and thereby guide markets and governments onto the path accordingly.

1. Market Response

The solution as a market response can only be based on a process called self-regulation. Here, broad consensus within the industries is required, strong leadership will help to find considerable support, and stewardship within every participating entity is a prerequisite.

Advantages:

- If successful, it can easily develop into a further progressing and supportive government response.
- Cost efficiency is guaranteed as everything will be funded by the industry or the consumer.
- In the light of sustainability, cost efficiency, long-term effects, and others should be expected to be considered under best practices as given.

Disadvantages:

- If government rejects or ignores it, drive within the industry will easily loose pace and vanish.
- Since the management may still be guided by quick profitability, the attention span may be too short and too flexible.
- The support within the industry may easily change depending on market development.

2. Government Response

A government response to the given issue can only be solidly based on law. Since the prescribed situation does not represent any emergency, alternative action will not be effective. Indeed, not only should the government consider their stance on industrial stakeholder engagement, yet more so should the government itself practice strong stakeholder engagement under its own work.

Advantages:

- Solid foundation in law which cannot be easily ignored, yet it can be successfully enforced.
- Wide acceptance among the nation can be expected.
- Guidelines and references are easily to be developed and can served as framework.
- Support by major industry key players will guarantee success.
- If successful, it can easily develop a further progressing market response.

Disadvantages:

- Process is lengthy.
- Lobbying could negatively interfere with the pursuance of the greater good.
- Countries with weak government are easily exposed to corruption and bribery, as well as interference with the implementation.
- Rejection by industry may occur.
- If major industry key players reject, it may even fail.

Each approach unavoidably comes with advantages and disadvantages, as already mentioned before, and there are, unavoidably, opportunity costs. However, subsequently there should be no discussion of any, since the only true choice that exists would be known as either survival or extinction of humanity.

For the main areas of concern, the following possible action alternatives have been identified as suitable and feasible, that can be taken by each of the following entities, and that are followed already by many countries under the guidance of the United Nations and the Sustainable Development Goals in order to address the dilemma as described above in detail:

- Governments

Alternative 1: Community Engagement (e.g. education, awareness, motivation)

Alternative 2: Clear message by Legal Framework

- Markets and prices

Markets

Alternative 1: Philanthropy

Alternative 2: Consumer Activism

- Corporations with a CSR (or ESG) commitment

Industry

Alternative 1: Full implementation of Corporate Social Responsibility

Alternative 2: Strategy of self-regulated research & development

While these alternatives can be made use of in a way of isolated action, it is nevertheless strongly recommended that the activities are applied in a potentially even concerted action throughout the world. All those alternatives are already well known and successfully applied in a number of different ways in many markets, and all key players

should be comfortable and familiar with the procedures and scopes. Therefore, it shall not be discussed in too much of a detail.

Community engagement to support government through philanthropists as well as thorough Corporate Social Responsibility activities within industries, especially with industries that support Sustainable Development Goals e.g. sustainable energy, also requires a considerable level of education and change of mindset within the co-existing generations. A Generation Gap is natural among different generations anywhere at any time, though more detectable in underprivileged and developing economies rather than in industrialised countries. The discrepancy between countries in order to allow them to work hand-in-hand on the same eye-level is yet too big and furthermore results in economic migration seeking for better standards of living. However, it does not mean that only young generations have the privilege to receive education, yet indeed, older generation share the same educational need, just that the education content is different.

With increasing educational and engaging programs, from side of philanthropists (individuals), governments, communities, and industrial key players, there is hardly any excuse to ignore the warnings that the environment is creating. With a short lifespan of a human individual relative to the timeous negative progression of humanity's development, some parts of government, society and industry tend to ignore the signs and thereby disregard the need for change, which is needed that this planet can be kept habitable for future generations. This, obviously, has to change.

After all, it is a given fact, and one shall never forget, that there is only one world, one environment that can be considered as home for humanity on this planet. Only a combined effort shared between all stakeholder all around the globe can give the chance to save the planet, and to save humanity from extinction.

Examples of Credible Sources for Information and Scholarly Works

Governments

<https://digitallibrary.un.org/>

<https://www.weforum.org/reports>

Markets

<https://www.hbs.edu/faculty/research/publications/Pages/default.aspx>

<https://sdgacademy.org/>

Industries

<https://iccwbo.org/>

<https://www.mckinsey.com/mgi/our-research/all-research>

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