

Fabrice Mauleon, Dominique Wolff and Marie Le Borgne-Larivière France
Ecole Supérieur de Commerce et Management (ESEM)
Tours
fmauleon@escem.fr
www.escem.fr
France

Teaching sustainable development in France

Excerpt from Chapter 36, "Promoting education, public awareness and training." Agenda 21 of the United Nations.¹

36.3. "Education is critical for promoting sustainable development and improving the capacity of the people to address environment and development issues. It is also critical for achieving environmental and ethical awareness, values and attitudes, skills and behaviour consistent with sustainable development and for effective public participation in decision-making."

36.5 (i) "Countries could support university and other tertiary activities and networks for environmental and development education. Cross-disciplinary courses could be made available to all students. Existing regional networks and activities and national university actions which promote research and common teaching approaches on sustainable development should be built upon, and new partnerships and bridges created with the business and other independent sectors, as well as with all countries for technology, know-how, and knowledge exchange"

36.5 (j) "Countries, assisted by international organizations, non-governmental organizations and other sectors, could strengthen or establish national or regional centres of excellence in interdisciplinary research and education in environmental and developmental sciences, law and the management of specific environmental problems. Such centres could be universities or existing networks in each country or region, promoting cooperative research and information sharing and dissemination. At the global level these functions should be performed by appropriate institutions."

Be it because of ideology, opportunism or obligation, a growing number of company stakeholders, either partisans or antagonists, has an opinion on, or a definition of, sustainable development. The concept echoes through legislative assemblies, as well as specific interest groups and markets. But aren't all these growing voices raising a quest for utopia or a fleeting fancy?

All told, it would appear that over the last 30 years, the planet has greatly suffered from production methods and the excessive use of fossil fuels. The damage is visibly extensive, including acid rain, deterioration of the ozone layer by CFCs, urban pollution, maritime disasters, deforestation, and so on. In light of increasing future risks, the notion of ecology, often considered an idealistic doctrine irrespective of all economic logic, has revealed itself coherent with our model of development and, indeed, economically viable.

1.1 - A tentative definition of sustainable development

Environment and development interests have long been at odds, with the major players promoting interests in the respective areas in diametrically opposed ways. The Stockholm

¹ For the complete excerpt of Chapter 36.3/5i/5j see www.un.org/esa/sustdev/agenda21chapter36.htm

Conference of 1987 spawned the notion of “sustainable development.” Without questioning the quality of the Brundtland Report, the concept of “sustainability,” (translated by “durability,”) remained vague in practical terms for a number of years following. A notion of “Sustainable Development” was nevertheless commonly acknowledged as being a mode of development that would “allow the present generation to satisfy its needs without denying future generations to do the same.”

It was only in 1992, at the Rio Summit, that this theoretical notion would be articulated in a charter document, namely Agenda 21. The 178 nations present at the conference, along with civil organizations (associations, labor unions, NGO, etc.), and multinational companies, pledged to contemplate the environmental heritage that will be left to future generations. It became soon obvious that a concern for environment as such was not universally shared. Rather, it had to be linked with other necessities to create a sustainable social issue. The summit was, for a great number of countries, a catalyst for heightening their awareness of the intimate relationship between economic, social and environmental interests. The 3P's, “People, Planet & Profits,” were to be henceforth on an equal footing. In order to speak of sustainable development, a project must respect the environment, but above all, be economically viable and finally, socially equitable. This threefold approach was taken up again in the collective contribution of Agenda 21, in which a number of practical measures for a sensible, reasonable and, consequently, sustainable development were given.

However, all too often, the notion of sustainable development carries a strictly environmental connotation. The survey carried out by the brief “environment strategies” (January 2, 2002) revealed that, out of 5,000 international media titles, sustainable development was still perceived some two-thirds of the time as a sole environmental problem. Only afterwards are social and ethical issues taken up among “stakeholders,” such as ngo's, employees, clients, suppliers, stockholders, and so on. Small wonder! The side effects of our economic activity are ever more visible. Indeed, within fifty years, increasingly rare natural resources will undermine our production methods.

“it will be abundantly clear that ecology rhymes with economy.” (Laville, 2002²).

Even more seriously, we have spared our planet no time for digesting our waste. Why should we wait, in such a context? The concept of sustainability is thus vital to our development framework.

1.2- Reinventing the fundamental role of business in society

Sustainable development has been adopted by numerous international conventions in the form of sustainable tourism, sustainable agriculture and others. We could even say it has become a rallying call. A review of the latest ad campaigns of edf (french national electricity company) and gdf (french national gas company), or connecting to any number of corporate websites should suffice to demonstrate that few of them are indifferent to this notion. We may thus ask ourselves, is sustainable development a fleeting fancy, or rather a ground swell that will leave our business practices changed for good?

Should we be delighted or perplexed? In any event, big business has clearly geared its thinking towards sustainable development. None would dare venture that hypocrisy is in play. “After polluting for so long, they’ve finally found a way to cleanse their conscience.” When we refer, indeed, to classic economic theory, the rational entrepreneur optimizes profit amid constraints. Yet, why should the environment be seen as a constraint rather than an opportunity? Will the “Sustainable Economy” eventually replace the “Net Economy” at center stage? The future will tell. Whatsoever, let us not fall victim to such clichés engendered by the radical confusion reigning between market ethics and the ultimate socio-economic catalyst, the firm. “Some rightfully worry about the increased power that companies exert upon society (...). It may inspire joy or dread. In any event, companies have the capacity to

² Laville E. (2002), « L'entreprise verte », Editions Village Mondial.

institute change much more quickly than regulation and much more efficiently than politics" (Laville, 2002). The decisive role of the informal meetings held among international firms at the Johannesburg Summit in 2002 is a convincing reminder of how to avoid fiascos on the horizon. Lest we forget, the population of the Northern countries lives in a system that is the envy of some 80% of the world's population.

There can be no question of "sustainable" development until the role of the firm is redefined. Companies owe total commitment to this endeavor and must recognize that viable economic activity is in no way in conflict with social justice or respect for the environment. The new ground rules should generate new demands regarding social, behavioral or technical standards as well as new expectations from financial markets concerning ethics, differentiation of its outputs, etc. It is not a question of following the current trend or the initiatives of leading firms. Rather, this commitment should be a constant, gradual and forward process. The entrepreneur must be convinced of its profitability, particularly as it relates to scrap or waste treatment, human resources deployment, brand management, etc.

1.3- Civic constraints

Corporate behavior is increasingly influenced by public opinion. This is well understood by certain lobbies who master the art of corporate image bashing. For instance, the "Ad Busters," a Canadian organization, devotes its time to challenging the consumer society, promoting an international no-shopping day as well as developing a tactic of distorting logos in order to ridicule well-known brands.

Greenpeace used these methods with Coca-Cola to denounce their continued use of CFC's in the cooling system of the brand's ad showcases during the Olympic Games in Sydney. As a result, the Atlanta company was obliged to publicly pledge that it would find an alternative means of refrigeration for the next Olympic Games in Athens. Such threats are taken quite seriously by firms. A poll conducted by the French weekly magazine *Expansion* on August 30, 2001, revealed that for 54% of European executives, neither financial panic nor strikes are as much feared as a downturn in public esteem. Comparable studies showed that the manipulation of the image of a firm could provoke a loss ranging from 10 to 30% in terms of social value. Obviously, from this perspective, firms have much interest in protecting themselves from such attacks and, eventually, they will no longer be able to entertain an opportunistic attitude.

Thus, after Kofi Annan, Secretary-General of the UN, proposed to multinational firms to give "top priority" to ethics in the 21st century, some fifty multinational firms, including Nike, Shell, HP and BMW, quickly rallied to support the "Global Compact," inspired by the Universal Declaration of Human Rights, and Agenda 21, while regularly communicating on their initiatives against relocations and "social dumping." Even Greenpeace admitted that their commitment brought many firms to implement a "green" strategy (Laville, 2002).

1.4- Financial markets drive sustainable development

It is impossible to speak of sustainable development without mentioning "ethical investment funds." Despite skepticism regarding criteria for so-called "responsible" corporations, we have to remember that for every \$1000 invested on Wall Street, \$125 flow into ethical funds. In view of Dow Jones' haste to launch its own ethical index (DJSI), there is every chance that we are not dealing with a passing phenomenon. "If Dow Jones is interested in sustainable development to such an extent as to invest in the creation of a stock index, it must be because there is a good chance that such strategies create value for stockholders" (Laville, 2002). Yet another strong indication is the commitment by certain American pension funds such as the Calvert Group, Citizens Fund, and others to what is known as shareholder activism. This consists of using their financial clout and voting rights to change the direction of the strategy of certain firms. Likewise, in 2001, Coca-Cola and its competitor Pepsi had to comply with a resolution obliging them to find a solution for recycling the millions of plastic bottles they sell every day.

2.1- Sustainable Development in France: new policies... with no turning-back

In the past years, the French government has been increasingly aware of the importance of sustainable development issues, soon encouraging local communities to merge into project territories known as "Lands" in order to create "breeding grounds" that would acknowledge the long-term balance between economic development, social justice and respect for the environment. In this perspective, the recent law on salary savings plans (Feb. 19, 2001) stipulates that collective securities investment bodies (particularly funds raised for Company Savings Plans) must report annually "to what extent they take into consideration (...) social, environmental and ethical issues in the selection (...) of securities comprising their portfolios."

As of late (Nov. 22, 2002), the French government has pledged to consider sustainable development of national interest and, at the European Council of Göteborg (May 2001), the EU declared sustainable development to be one of its strategic objectives, citing in particular the "fight against climactic change," the development of "ecologically viable transportation," the reduction of "public health risks," and "natural resources management." Finally, the decree of Feb. 20, 2002 of the NRE (Nouvelles Régulations Economiques/New Economic Regulations) law requires publicly held corporations to make public an annual report on sustainable development clearly explaining how they "deal with the social and environmental consequences of their activity."

For all of the foregoing reasons, it would appear that a new era of development has dawned. With the combination of short- and long-term interests, civic action, as well as public and business policies, sustainable development has come into its own: a social cause that is going to remain. It is a renewed conception of economics bringing us beyond a linear logic of extraction, production, sales and scrap to a cyclical logic of renewable energy, the awareness of the output's life cycle, recycling, and so on. At last, the only conception that is truly economically viable, socially just, and environmentally friendly.

2.2- Teaching sustainable development in business education

In this context, it is now crucial for French Business Schools to quickly offer operational programs on the topic of sustainable development, with the aim of training a whole new generation of environmentally concerned managers. Be it on the domestic or on foreign markets, business managers, indeed, have now to deal with growing complexities in terms of both abiding by sustainable development regulation and meeting stakeholders' expectations with regards to environmental conservation, while keeping their activity profitable over the long term. It is the business education's responsibility to create awareness of these issues among business students, as well as offering them the tools that will eventually allow them to take appropriate decisions within their future careers.

2.3- ESCEM's project: creating a sustainable development program and a Chair

As a consequence of the aforementioned statement, ESCEM School of Business and Management has been willing to settle a new program aimed at institutionalizing sustainable development within its core courses. In January 2003, a brand new course started on the topic, aimed at all second year students (last year Bachelor students).

The sustainable development program is organized along three levels that will be further developed in the following pages:

- An academic program

Purpose: To increase student awareness with regards to the many aspects of sustainable development, and to train them so that they are able to evaluate local, national and international situations and can analyze decision-making processes.

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Kyiv, April 2-6, 2003

Action: A 45 hours module conducted by both French and foreign academics stemming from various fields of interest or research (business, politics, etc.), aimed at second year students (already running); and an International Masters Program aimed at postgraduate students (opening September 2004).

- An Observatory (*Opening September 2003*)

Purpose: To develop the research needed to analyze these key contemporary issues and to raise awareness and diffuse knowledge on sustainable development.

Action: A committee comprised of political, academic and business representatives will regularly scan and propose orientations regarding academic content on sustainable development, as well as provide local, national and international companies with specific expertise on this issue.

- Continuous training workshops (*Opening January 2004*)

Purpose: In the medium term, to train decision-makers so that they are able to control the implications of future ethical and responsible choices in both public policy and corporate strategy.

Action: A monthly workshop aimed at French companies' managers, and run by a mixed panel of academic and business people.

The last two points fall within the framework of the sustainable development Chair.

2.3.1- The academic program

Sustainable development has its place at the ESCEM School of Business and Management, and among students, in the classroom and outside it.

Since January 2003, the academic model has taken into account the environmental, economic and social aspects tied to the sustainable development objectives. This academic program is clearly of interest to students: it is intended to offer practical and applied training in corporate social responsibility to future graduates (baccalaureate + 5 years) wishing to work in a company tomorrow after obtaining training in management combined with a theoretical and practical background in the new advantages of responsible management.

Because ESCEM School of Business and Management believes that investing oneself in a group project is a fundamental experience, one quarter of ESCEM student projects are already devoted to the practical and daily application of topics dear to sustainable development. For instance, two students associations are engaged in projects involving sustainable development awareness and action, namely "Thirty Rights to Live", which informs students on the situation and various aspects of human rights throughout the world, and "Cool School", which is mainly dedicated to providing academic support to children, teenagers and even young adults experiencing difficulties.

As for today, sustainable development is taught at ESCEM School of Business and Management within the following framework:

Common program:

ESCEM students receive full training in applied sustainable development during 45 hours of class. This training is organized in classes and a group project allowing students to quickly apply the knowledge gained on the topic of "ethics in business."

Course design

The teaching of sustainable development within the common program takes place during the second semester of the second year. It allows students who have acquired comprehensive training in management after three semesters at the ESCEM School of Business and Management to develop their awareness on the subject.

The concept of sustainable development refers to all the professions in a company. We saw here the possibility of working on a cross-cutting project that would mobilize a large number of internal skills.

We felt it would be interesting to have a framework that would allow a company to be considered in a global manner, and to expand the debate to ethical issues. For this reason, the classes hinge on a few key themes:

- Theme no. 1: Sustainable development – a strategic variable to be taken into account
- Theme no. 2: The political/legal dimension of sustainable development
- Theme no. 3: Sustainable development and social responsibility
- Theme no. 4: Green marketing – Enhancing the corporate and/or product brand image
- Theme no. 5: Towards a new model of corporate governance
- Theme no. 7: Environmental Management System and eco-label
- Theme no. 8: Socially responsible investors

(See full details in appendices)

International Masters Program (Opening in September 2004)

Business school students and engineering students will follow a program that will allow them to acquire combined skills in environmental management and business management. This two-sided program will be taught jointly by the ESCEM School of Business and Management and by the University of Sherbrooke (Canada) in the form of two four-month seminars held successively on the two campuses. In the end of the program, students will have to perform a four-month work term in a company.

Program design

This “Sustainable Development” Masters’ Degree (MSc.) will offer students a comprehensive training in management and in sustainable development, as well as practical and concrete content on the principles and techniques allowing them:

- to limit managerial risk that could damage the reputation of a company and its executives;
- to implement a coherent socially responsible corporate policy;
- to perform inspection and audit assignments (in compliance with mandatory or voluntary standards).

To make this content operational, the students will be asked to prepare the “sustainable development” annual report for the ESCEM School of Business and Management. Lastly, this program will wind up with a four-month work term. Students will write a paper at the end of the program.

2.3.2- A Sustainable Development CHAIR

This chair will be created to fulfill four objectives:

- 1- Make a real contribution to the creation and diffusion of a concept that is still difficult to grasp.
- 2- Create an arena for discussion and thinking open to all players in the private and public sectors, so that they can meet each other and exchange their ideas freely.
- 3- Collect and create a specific body of documents (especially enticing for academic exchanges).
- 4- Lastly, further develop operational training on this concept, either initial training or ongoing training.

The Chair mainly encompasses the activities of an Observatory and of ongoing training workshops.

Why a sustainable development Observatory?

The sustainable development Observatory works with all its professional and institutional partners in order to provide support in the form of field surveys and indicators, and expertise on the themes of tourist and economic development, and the implementation of technical certifications.

The activities of the Observatory of Social Practices and Sustainable Development cover three areas of focus:

- FOCUS 1: Territories, communities, and sustainable development
- FOCUS 2: Social and societal performance of corporations
- FOCUS 3: The Loire Valley (VAL DE LOIRE) mission and sustainable development

The "Territories, communities, and sustainable development" focus

The purpose of the sustainable development Observatory is to set up indicators that contribute to helping ensure the credibility of local commitments and to assert the objectives of the decentralized political objectives (departmental and regional). It will meet once per quarter.

The "Social and societal performance of corporations" focus

The Observatory is also intended to work on the implementation of sustainable development indicators that take the usual threesome into account.

This approach could be twofold:

- (1) Think about a pertinent selection of indicators making it possible to evaluate the efforts made by a company or an industry in terms of sustainable development;
- (2) Build a database (based on these indicators) that would encourage internal research and make the school more attractive for external collaborations (universities, rating agencies, etc.).

The Observatory attempts to link the profitability of a company to its activities in social, societal and environmental terms. A company that has a sustainable development blueprint can hope to increase its profitability.

The "Loire Valley and sustainable development" focus

The Loire Valley has been recognized as a site of universal value and has been registered in the UNESCO world heritage as a living cultural landscape.

This positioning entails a major responsibility on the part of the home country (France) regarding the preservation and management of the site. The size of the registered asset (2 regions, 4 *départements*, and 318 communities) requires the implementation of balanced management between all players involved in protecting and enhancing the Loire Valley heritage.

The various actions already conducted or to come in this region must be handled in a completely transparent manner, and full information must be provided, in order to ensure harmonious and sustainable development.

To reach this goal, the French government and the local authorities have agreed to create a Council of Communities and a Management Committee that can coordinate the various action projects of the *départements* in order to achieve a common management policy. These bodies are backed up by a "scientific council" that is in charge of providing all the answers to technical and scientific issues.

What is the purpose of the sustainable development workshops?

For managers: the sustainable development workshops offer high-level applied training that allows managers to enhance their knowledge and develop their management skills while continuing to hold their position in their company, with a view to a job change. They can therefore broaden their understanding of social responsibility in order to be more reactive while continuing to develop their potential and therefore their employability on a market that is highly reactive and increasingly global.

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For companies: Whether small businesses or large corporations, today companies place a strong emphasis on ongoing training for their managers so that they are capable of developing strategies according to fluctuations in the market, and providing leadership. In an ever-changing economic context, companies need to be able to count on solid, responsible teams.

Conclusion

With sustainable development currently occupying center stage of all political and economic currents, including the Rio Summit, the European Summit in Barcelona, and the recent French government seminar on sustainable development, ESCEM School of Business and Management has decided to send a strong signal to its students by completing the common core syllabus of the ESCEM program with a sustainable development module.

Often approached through seminars, colloquiums or workshops with our partners, ESCEM School of Business and Management is now innovating by designating sustainable development as a primary vector of the school's program. The new (January 2002) administration decided that, in an effort to remedy the dire lack of sociological culture among university students, and beginning with the 1st semester of 2003, 2nd year students shall complete a 45-hour cross-disciplinary module. François Duvergé, Executive Director of the ESCEM School of Business and Management stressed that, while "business school students of all branches are technically competent as they arrive on the job market, they suffer from a severe lack of awareness of Man in his environment, constituting (...) in the end, a handicap for young executive managers in their decision-making process." Sustainable development is thus, in this perspective, a must. If it is to bear fruit, however, it must reach beyond mere policy guidelines and be integrated into university programs.

Companies and organizations must participate in this project and come to realize that the economic viability of an activity is not in contradiction with either social justice or respect for the environment. Further, on this basis, companies can expect a new type of demand comprised of new social, behavioral or technical criteria, new expectations in terms of governance from financial markets, etc. There can thus be no question of an ephemeral commitment resulting from the initiative of a few leading firms but rather a gradual process. It creates value in terms of costs avoided through eco-efficiency, personnel deployment, risk management, and so on. Sustainable development is possible only inasmuch as the firm knows how to adapt this new type of regulation. To do so, each manager must have thorough knowledge of the subject.

Practically speaking, we must understand how and why sustainable development has become an essential element of the firm's strategy, its human resources management, marketing, finance, governance, and the legal, political and regulatory environments. That is why each of these cross-disciplinary themes will be approached through practical cases by the professors at ESCEM School of Business and Management, who are called upon to deal with these questions.

The scope of this ambitious project goes well beyond a simple desire to give the curriculum at ESCEM a distinctive allure. It constitutes a cornerstone of the school's development that should lead to the foundation of a research laboratory in social responsibility of the companies in 2003.