

# Journal of Conflict Management & Sustainable Development



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## **Realising Environmental, Social and Governance Tenets for Sustainable Development**

By: **Kariuki Muigua\***

### **Abstract**

*This paper discusses the Environmental, Social and Governance (ESG) aspects of sustainable development agenda and how the same affect sustainability. The paper looks at the best practices as far as these tenets are concerned. The author argues that unless countries and stakeholders ensure that there is convergence of efforts in pursuit of environmental, social and governance aspects of sustainability, then the struggle for achievement of the 2030 Agenda for Sustainable Development will remain a mirage.*

### **1. Introduction**

The Sustainable Development Goals (SDGs) adopted by the United Nations (UN) in 2015 are widely hailed as a huge success: they represent a global agreement on a comprehensive strategy to address the social and environmental issues that are affecting people all over the world.<sup>1</sup> Instead of relying on nature for survival, as we have done

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<sup>1</sup> Higgs, Kerry. "How sustainable are the SDGs?" (2020): 109-130, 109 <<https://anzsee.org.au/wp-content/uploads/2020/07/EESolutionsFutureRoyalDraftJuly2ndFINALEbook.pdf#page=109>> accessed 13 July 2022.

for ages, sustainable development offers a framework for people to coexist with and thrive in harmony with the natural world.<sup>2</sup>

The main principles of sustainable development agenda as captured in the *2030 Agenda for Sustainable Development*<sup>3</sup> include the economic, social and environmental sustainability. These are encapsulated in the 17 Sustainable Development Goals and 169 targets, which are meant to lay out a plan of action for people, planet, and prosperity that will strengthen universal peace in larger freedom. They also identify eradicating poverty in all of its manifestations, including extreme poverty, as the greatest global challenge and a crucial prerequisite for sustainable development.<sup>4</sup> The Sustainable Development Goals (SDGs) also envisage a world in which democracy, good governance and the rule of law as well as an enabling environment at national and international levels, are essential for sustainable development, including sustained and inclusive economic growth, social development, environmental protection and the eradication of poverty and hunger.<sup>5</sup> The term "governance" is used to describe "steering" in this context, which includes both processes and institutions and involves an element of authority. Process relates to how decisions are made on priorities, how conflicts are addressed and maybe handled, and how coordination of people's actions with regard to resource usage is made easier. On the other hand, the structural aspect relates to how these procedures are set up and 'managed'.<sup>6</sup>

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<sup>2</sup> Dernbach, J.C. and Mintz, J.A., "Environmental laws and sustainability: An introduction." *Sustainability* 3, no. 3 (2011): 531-540, 531.

<sup>3</sup> UN General Assembly, *Transforming our world: the 2030 Agenda for Sustainable Development*, 21 October 2015, A/RES/70/1.

<sup>4</sup> 'Transforming Our World: The 2030 Agenda for Sustainable Development | Department of Economic and Social Affairs' <<https://sdgs.un.org/2030agenda>> accessed 13 July 2022.

<sup>5</sup> Ibid.

<sup>6</sup> Vatn, Arild, *Environmental governance: institutions, policies and actions*, Edward Elgar Publishing, 2015, p. 133.

It has been observed that COVID-19 has tremendously disrupted the world's economy where the pandemic left the world's informal employees, especially young workers and women, on their own with no support or protection against financial and health issues. This was as a result of massive job losses, enlarged market gender gap, informal workers' lack of social safety, and decreased work and education opportunities for youth.<sup>7</sup>

Despite having adopted the SDGs into its domestic laws and planning, Kenya still faces the risk of widespread poverty, natural resources and biodiversity degradation, lack of access to safe water for all, escalating climate change, desertification, land degradation, soil erosion, flooding and drought; and increased natural disaster risks.<sup>8</sup> This paper argues that these challenges cannot and should not be addressed in a disjointed manner, if any real progress is to be made.

This paper seeks to analyze the aspects of governance as well as how they interact with the environmental and social tenets of sustainable development with the aim of ensuring that the SDGs are achieved, especially post the COVID-19 pandemic. Arguably, sustainable development as a process of transformation of the economy must, in consequence, also result in a transformation of society and its governance structures for a sustainable future.<sup>9</sup> All this must also be

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<sup>7</sup> Fallah Shayan, N., Mohabbati-Kalejahi, N., Alavi, S. and Zahed, M.A., 'Sustainable Development Goals (SDGs) as a Framework for Corporate Social Responsibility (CSR)' (2022) 14 Sustainability 1222, 8 <<https://www.mdpi.com/2071-1050/14/3/1222>> accessed 13 July 2022.

<sup>8</sup> National Environment Management Authority, *Kenya State of Environment Report 2019-2021* <[https://www.nema.go.ke/images/Docs/EIA\\_1840-1849/Kenya%20State%20of%20Environment%20Report%202019-2021%20final-min.pdf](https://www.nema.go.ke/images/Docs/EIA_1840-1849/Kenya%20State%20of%20Environment%20Report%202019-2021%20final-min.pdf)> accessed 17 July 2022.

<sup>9</sup> Ketschau, T.J., "Social sustainable development or sustainable social development-two sides of the same coin? the structure of social justice as a

accomplished in a way that takes into account environmental sustainability.

The paper discusses the Environmental, Social, and Governance (ESG) approach to sustainability and how different players, including governments, communities and businesses can participate in promoting and achieving sustainability through ESG approach.

## **2. Environmental Aspect of Sustainable Development Agenda**

The world leaders who signed the 2030 Agenda stated in the preamble that they are "Determined to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources, and taking urgent action on climate change, so that it can support the needs of the present and future generations."<sup>10</sup> A number of SDGs are dependent on the health of the environment for their realisation. These include but are noted limited to: Goal 2 seeks to end hunger, achieve food security and improved nutrition and promote sustainable agriculture; Goal 6 seeks to ensure availability and sustainable management of water and sanitation for all; Goal 12 seeks to ensure sustainable consumption and production patterns; Goal 13 urges State parties to take urgent action to combat climate change and its impacts; Goal 14 calls for conservation and sustainable use of the oceans, seas and marine resources for sustainable development; and Goal 15 urges State parties to protect, restore and promote sustainable use of terrestrial

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normative basis for the social dimension of sustainability." *International Journal of Design & Nature and Ecodynamics* 12, no. 3 (2017): 338-347, 338.

<sup>10</sup> Environment UN, 'Sustainable Development Goals' (*UNEP - UN Environment Programme*, 19 October 2017) <<http://www.unep.org/evaluation-office/our-evaluation-approach/sustainable-development-goals>> accessed 17 July 2022.

ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.<sup>11</sup>

In order to achieve environmental sustainability, natural resources management and disaster risk management, there is also a need for improved management of natural resources and biodiversity; access to safe water for all; climate change; desertification, land degradation, soil erosion, flooding and drought; and natural disaster risk reduction and management.<sup>12</sup> It is thus arguable that unless the environmental problems facing the planet are addressed, the other SDGs will remain a mirage.

### **3. Economic Aspect of Sustainable Development Agenda**

The SDGs envisage a world in which every country enjoys sustained, inclusive and sustainable economic growth and decent work for all.<sup>13</sup> The economic aspect is to be achieved through ensuring that every State has, and shall freely exercise, full permanent sovereignty over all its wealth, natural resources and economic activity.<sup>14</sup>

SDG 8 seeks to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.<sup>15</sup>

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<sup>11</sup> 'List of the 17 Sustainable Development Goals | Agora' <<https://agora-parl.org/resources/aoe/list-17-sustainable-development-goals>> accessed 17 July 2022.

<sup>12</sup> Urama, Kevin, Nicholas Ozor, and Ernest Acheampong, "Achieving Sustainable Development Goals (SDGs) Through Transformative Governance Practices and Vertical Alignment at the National and Subnational Levels in Africa," *SDplanNet Africa Regional Workshop, March 3–5, 2014*, 3.

<sup>13</sup> 'Transforming Our World: The 2030 Agenda for Sustainable Development | Department of Economic and Social Affairs' <<https://sdgs.un.org/2030agenda>> accessed 13 July 2022.

<sup>14</sup> Ibid.

<sup>15</sup> SDG 8, UN General Assembly, *Transforming our world: the 2030 Agenda for Sustainable Development*, 21 October 2015, A/RES/70/1.

Some of the related relevant targets include: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries;<sup>16</sup> achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors;<sup>17</sup> promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small- and medium-sized enterprises, including through access to financial services;<sup>18</sup> improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead;<sup>19</sup> by 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value;<sup>20</sup> by 2020, substantially reduce the proportion of youth not in employment, education or training;<sup>21</sup> take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms;<sup>22</sup> protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular

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<sup>16</sup> Target 8.1.

<sup>17</sup> Target 8.2.

<sup>18</sup> Target 8.3.

<sup>19</sup> Target 8.4.

<sup>20</sup> Target 8.5.

<sup>21</sup> Target 8.6.

<sup>22</sup> Target 8.7.

women migrants, and those in precarious employment;<sup>23</sup> by 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products;<sup>24</sup> strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all;<sup>25</sup> increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries;<sup>26</sup> and by 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.<sup>27</sup>

The underlying affirmation of these targets are that “economic, social, and technological progress” must occur “in harmony with nature,” envisaging “a world in which ... consumption and production patterns and use of all natural resources—from air to land, from rivers, lakes and aquifers to oceans and seas—are sustainable ... One in which humanity lives in harmony with nature and in which wildlife and other living species are protected,” but the SDGs fail to offer any quantified target for resource efficiency, and do not specify what a sustainable level of material footprint might be.<sup>28</sup>

It has been noted that in the economic debate, sustainable development is most frequently defined as the requirement to maintain a continuous flow of income for humanity, produced from non-declining capital

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<sup>23</sup> Target 8.8.

<sup>24</sup> Target 8.9.

<sup>25</sup> Target 8.10.

<sup>26</sup> Target 8.A.

<sup>27</sup> Target 8.B.

<sup>28</sup> Hickel, J., "The contradiction of the sustainable development goals: Growth versus ecology on a finite planet." *Sustainable Development* 27, no. 5 (2019): 873-884, at 874 & 875.



stocks. In this perception, at least, steady stocks of human, man-made, natural, and social capital are seen as necessary and frequently sufficient criteria for sustainable development.<sup>29</sup> Economic sustainability has been defined as the meeting the economic needs of the present without diminishing the economic needs of the future.<sup>30</sup> Although intergenerational equity is frequently viewed as a factor in economic sustainability, it is not always clear what exactly needs to be perpetuated.<sup>31</sup>

The question that has, therefore, been frequently asked is whether the world be able to sustain economic growth indefinitely without running into resource constraints or despoiling the environment beyond repair.<sup>32</sup> Thus, the relationship between economic growth and the environment is, and always remains, controversial.<sup>33</sup>

However, what may be universally accepted is that increased private earnings are only one aspect of economic growth; it may also make a substantial contribution to the production of resources that can be

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<sup>29</sup> Joachim H Spangenberg, 'Economic Sustainability of the Economy: Concepts and Indicators' (2005) 8 *International Journal of Sustainable Development* 47, 48 <<http://www.inderscience.com/link.php?id=7374>> accessed 14 July 2022.

<sup>30</sup> Solin, J., "Principles for Economic Sustainability: Summary," (*a summary of John Ikerd's Principles of Economic Sustainability. It was developed based on attendance a 5-day workshop taught by John and John's Essentials of Economic Sustainability book*) < <https://www3.uwsp.edu/cnr-np/wcee/Documents/Principles%20for%20Economic%20Sustainability%205%20page%20summary.pdf>> accessed 14 July 2022.

<sup>31</sup> Sudhir Anand and Amartya Sen, 'Human Development and Economic Sustainability' (2000) 28 *World Development* 2029, 2029 <<https://linkinghub.elsevier.com/retrieve/pii/S0305750X00000711>> accessed 14 July 2022.

<sup>32</sup> Panayotou, T., "Economic Growth and the Environment." *CID Working Paper Series* (2000), 1.

<sup>33</sup> Brock, W.A. and Taylor, M.S., "Economic growth and the environment: a review of theory and empirics." *Handbook of economic growth* 1 (2005): 1749-1821.

mobilised to enhance social services (such as public healthcare, epidemiological protection, basic education, safe drinking water, among others).<sup>34</sup> These are ultimately important in realisation of SDGs. Economic empowerment of individuals as well as investing in social services that will benefit the current wider citizenry as well as future generations is thus an important step towards achieving sustainability.

#### **4. Social Aspect of Sustainable Development Agenda**

Social sustainability entails robust, inclusive communities where people may voice their opinions and governments act on them. In order to achieve social sustainability, opportunities must be increased for everyone, both now and in the future. It is essential for eradicating poverty and promoting shared wealth, together with economic and environmental sustainability.<sup>35</sup>

Social problems, in particular, prohibit individuals from living healthy lifestyles, disturb communities, and interfere with businesses. While most of these problems are universal, some are particular to particular regions or populations. These problems may include, but are not limited to, discrimination (based on race, colour, and gender), poverty, homelessness, hunger, malnutrition, and obesity, a lack of basic freedoms, the unemployment crisis, pandemics and epidemics, disabilities and chronic diseases, violence, crime, and insecurity as well as wars and political conflicts, gender inequality, and a lack of education and opportunities.<sup>36</sup>

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<sup>34</sup> Ibid, 2032.

<sup>35</sup> ‘Overview’ (World Bank)

<<https://www.worldbank.org/en/topic/socialsustainability/overview>> accessed 14 July 2022.

<sup>36</sup> Fallah Shayan, N., Mohabbati-Kalejahi, N., Alavi, S. and Zahed, M.A., ‘Sustainable Development Goals (SDGs) as a Framework for Corporate Social

The distribution of economic opportunities and social services while resolving power disparities constitutes the process of social development, which involves institutions at all levels, from national governments to various civil society groups.<sup>37</sup> Social development has also been defined as "a process of planned social change designed to promote people's welfare within the context of a comprehensive process of economic development".<sup>38</sup> The emphasis of social sustainability and inclusion is on the requirement to "put people first" throughout the development process. By empowering individuals, creating cohesive and resilient societies, and making institutions accessible and answerable to citizens, it fosters social inclusion of the underprivileged and vulnerable.<sup>39</sup>

Efforts towards sustainability must thus take note of these aspects of social sustainability for creation of an inclusive society.

## **5. Role of Law in Promoting Environmental, Social, and Governance (ESG) Approach: Governance Aspect of Sustainable Development Agenda**

The environmental rule of law is crucial to sustainable development because it combines environmental requirements with the fundamental components of the legal system and lays the groundwork

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Responsibility (CSR)' (2022) 14 Sustainability 1222, 14  
<<https://www.mdpi.com/2071-1050/14/3/1222>> accessed 13 July 2022.

<sup>37</sup> Julie L Drolet, 'Chapter 14 - Societal Adaptation to Climate Change' in Trevor M Letcher (ed), *The Impacts of Climate Change* (Elsevier 2021) <<https://www.sciencedirect.com/science/article/pii/B9780128223734000112>> accessed 14 July 2022.

<sup>38</sup> Kramer, J.M. and Johnson, C.D., "Sustainable Development and Social Development: Necessary Partners for the Future." *Sustainable Development* (1996), 79.

<sup>39</sup> 'Social Sustainability and Inclusion' (World Bank) <<https://www.worldbank.org/en/topic/socialsustainability>> accessed 14 July 2022.

for better environmental governance.<sup>40</sup> In addition, by linking environmental sustainability to fundamental rights and responsibilities, it draws attention to environmental sustainability, reflects universal moral principles and ethical standards of conduct, and establishes a basis for environmental rights and obligations. Without environmental rule of law and the enforcement of legal rights and responsibilities, it is possible to argue that environmental governance will be arbitrary, that is, discretionary, subjective, and unpredictable.<sup>41</sup>

The rule of law fosters equality of treatment, increases personal and property security, and offers a fair and amicable means of resolving conflicts.<sup>42</sup> The rule of law was defined by United Nations Secretary-General Kofi Anan in 2004 as follows:

The rule of law . . . refers to a principle of governance in which all persons, institutions and entities, public and private, including the State itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards. It requires, as well, measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers,

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<sup>40</sup> Environment UN, 'Promoting Environmental Rule of Law' (*UNEP - UN Environment Programme*, 5 October 2017) <<http://www.unep.org/explore-topics/environmental-rights-and-governance/what-we-do/promoting-environmental-rule-law>> accessed 17 July 2022.

<sup>41</sup> *Ibid.*

<sup>42</sup> Michel J, *The Rule of Law and Sustainable Development*. Center for Strategic & International Studies, 2020, 5 <[https://www.researchgate.net/profile/James-Michel-3/publication/342881527\\_The\\_Rule\\_of\\_Law\\_and\\_Sustainable\\_Development/links/5f0b3464a6fdcc4ca46389c5/The-Rule-of-Law-and-Sustainable-Development.pdf](https://www.researchgate.net/profile/James-Michel-3/publication/342881527_The_Rule_of_Law_and_Sustainable_Development/links/5f0b3464a6fdcc4ca46389c5/The-Rule-of-Law-and-Sustainable-Development.pdf)> accessed 17 July 2022.

participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency.<sup>43</sup>

The place of rule of law in promoting sustainability is well captured under SDG 16 which seeks to promote just, peaceful and inclusive societies.<sup>44</sup> The law is important as it provides essential tools and institutions for governing resources sustainably.<sup>45</sup> In addition to being critical (and frequently last) stages in itself for effectively adopting sustainability solutions, laws and governance are also vital elements to assist technological and economic progress.<sup>46</sup>

It has been emphasised that the presence of robust, well-resourced public institutions at the national and international levels is essential for the execution of the 2030 Agenda's necessary policy reforms.<sup>47</sup>

It has been observed that the SDGs have thus far mostly been implemented through a top-down, government-led strategy, with goals and initiatives determined at the global (and increasingly, national) level.<sup>48</sup> To achieve the SDGs, grassroots action for sustainable

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<sup>43</sup> Ibid, 8.

<sup>44</sup> Martin, 'Peace, Justice and Strong Institutions' (*United Nations Sustainable Development*) <<https://www.un.org/sustainabledevelopment/peace-justice/>> accessed 17 July 2022.

<sup>45</sup> Dernbach, J.C. and Mintz, J.A., "Environmental laws and sustainability: An introduction." *Sustainability* 3, no. 3 (2011): 531-540, 532.

<sup>46</sup> Clune WH and Zehnder AJB, 'The Three Pillars of Sustainability Framework: Approaches for Laws and Governance' (2018) 9 *Journal of Environmental Protection* 211.

<sup>47</sup> Martens, Jens. "Redefining policies for sustainable development." *Exploring* (2018): 11, 20 <[https://www.2030spotlight.org/sites/default/files/spot2018/chaps/Spotlight\\_Innenteil\\_2018\\_redefining\\_policies\\_martens.pdf](https://www.2030spotlight.org/sites/default/files/spot2018/chaps/Spotlight_Innenteil_2018_redefining_policies_martens.pdf)> accessed 13 July 2022.

<sup>48</sup> Szetey, K., Moallemi, E.A., Ashton, E., Butcher, M., Sprunt, B. and Bryan, B.A., 'Co-Creating Local Socioeconomic Pathways for Achieving the Sustainable Development Goals' (2021) 16 *Sustainability Science* 1251, 1251 <<https://doi.org/10.1007/s11625-021-00921-2>> accessed 13 July 2022.

development, also known as "solutions that react to the local context and the interests of the communities concerned," is necessary.<sup>49</sup> The SDGs' localization is based on Local Agenda 21, a bottom-up, participatory initiative allowing local governments to interact with their citizens on sustainable development.<sup>50</sup>

To co-create locally relevant sustainability routes, communities, stakeholders, and academics must collaborate, and participatory approaches are crucial for fostering this cooperation in governance issues.<sup>51</sup> Notably, the 2010 Constitution of Kenya provides that 'all State organs, State officials, public offices, and all individuals are bound by the national values and principles of governance whenever any of them: apply or interpret this Constitution; enact, apply, or interpret any legislation; or make or implement public policy choices'.<sup>52</sup> Good governance, integrity, transparency, accountability, sharing and devolution of power, the rule of law, democracy, and public participation are among the national values and guiding principles of governance. Other national values and guiding principles include good governance, integrity, transparency, and accountability, patriotism, national unity, as well as sustainable development.<sup>53</sup> "Social Development is based on positive, humane, people oriented development in society....The basic principles... are human dignity, equality, social justice, and equitable distribution of resources....

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<sup>49</sup> Ibid.

<sup>50</sup> Ibid.

<sup>51</sup> See Szetey, K., Moallemi, E.A., Ashton, E., Butcher, M., Sprunt, B. and Bryan, B.A., 'Co-Creating Local Socioeconomic Pathways for Achieving the Sustainable Development Goals' (2021) 16 Sustainability Science 1251 <<https://doi.org/10.1007/s11625-021-00921-2>> accessed 13 July 2022.

<sup>52</sup> Article 10 (1), Constitution of Kenya 2010.

<sup>53</sup> Ibid, Article 10 (2).

People's participation and empowerment are necessary conditions...."<sup>54</sup>

These principles are especially relevant in light of the spirit of devolution, where the Constitution states that 'the objects of the devolution of government are, among other things—to promote democratic and accountable exercise of power; to give powers of self-governance to the people and enhance their involvement in the exercise of State authority and in making decisions that affect them; to acknowledge the right of communities to manage their own affairs and to further their development; to protect and promote the interests and rights of minorities and marginalised communities'.<sup>55</sup>

There is a need for efforts geared towards achievement of the principle of sustainable development to be molded around the foregoing national values and principles of governance to ensure that there is an inclusive approach to governance matters in the country, for the benefit of all.

## **6. Realising Environmental, Social and Governance Tenets for Sustainable Development: Moving Forward**

Integrated decision-making, or the process of incorporating environmental, social, and economic goals and factors into choices, is the key action principle of sustainable development.<sup>56</sup> It has rightly been pointed out that despite the fact that all countries, regardless of their economic, social, or environmental contexts, can benefit from the

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<sup>54</sup> Kramer, J.M. and Johnson, C.D., "Sustainable Development and Social Development: Necessary Partners for the Future." *Sustainable Development* (1996), 79.

<sup>55</sup> Article 174, Constitution of Kenya 2010.

<sup>56</sup> Dernbach, J.C. and Mintz, J.A., "Environmental laws and sustainability: an introduction. *Sustainability*, 3 (3), 531-540." (2011), 532.

Sustainable Development Goals (SDGs) framework, norms, and principles, translating global objectives into specific national contexts is difficult because of varying starting points, capacities, and priorities, among other factors.<sup>57</sup> Global goals will be transformed into targets and indicators that take into account the specific national settings of each country in order to be relevant to all nations (and to foster national ownership). Keeping broad global aims and very different national settings coherent will be a problem.<sup>58</sup>

Economic, social and governance aspects of sustainable development must take into account the environmental aspect of sustainable development. This is because environmental protection is essential to promoting sustainable economic growth because the natural environment supports economic activity both directly and indirectly through ecosystem services like carbon sequestration, water purification, managing flood risks, and nutrient cycling. Directly, the natural environment provides resources and raw materials such as water, timber, and minerals that are required as inputs for the production of goods and services.<sup>59</sup>

In the institutional arrangements of governments and parliaments, scholars have argued that it is crucial to reflect the encompassing nature of the 2030 Agenda and the SDGs. If competent national

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<sup>57</sup> Urama, Kevin, Nicholas Ozor, and Ernest Acheampong, "Achieving Sustainable Development Goals (SDGs) Through Transformative Governance Practices and Vertical Alignment at the National and Subnational Levels in Africa," *SDplanNet Africa Regional Workshop, March 3–5, 2014*, 2 <[https://www.iisd.org/system/files/publications/sdplannet\\_africa.pdf](https://www.iisd.org/system/files/publications/sdplannet_africa.pdf)> Accessed on 25 June 2022.

<sup>58</sup> *Ibid*, 2.

<sup>59</sup> UN Environment, 'GOAL 8: Decent Work and Economic Growth' (UNEP - UN Environment Programme, 2 June 2021) <<http://www.unep.org/explore-topics/sustainable-development-goals/why-do-sustainable-development-goals-matter/goal-8>> accessed 13 July 2022.



equivalents do not reflect and "own" the new, more cogent global government, the effort will be in vain.<sup>60</sup> To make the UN system "fit for purpose" on a global scale, it is necessary to reform already-existing institutions and establish new bodies in regions where there are governance gaps. This can only be done by making a commitment to address the unequal distribution of resources as well as access to participation and decision-making.<sup>61</sup> This is especially important considering that the SDG index, which displays each country's compliance with the SDGs and breaks down each score by SDG, reflects the fact that governments have varying degrees of commitment to the SDGs.<sup>62</sup>

The 2030 Agenda presents a challenge to UN Environment to create and improve integrated approaches to sustainable development, methods that will show how enhancing environmental health would have positive social and economic effects. UN Environment's initiatives support the environmental component of sustainable development and promote socio-economic development by aiming to lower environmental hazards and boost society's and the environment's overall resilience.<sup>63</sup>

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<sup>60</sup> Martens, Jens. "Redefining policies for sustainable development." *Exploring* (2018): 11, 20 <[https://www.2030spotlight.org/sites/default/files/spot2018/chaps/Spotlight\\_Innenteil\\_2018\\_redefining\\_policies\\_martens.pdf](https://www.2030spotlight.org/sites/default/files/spot2018/chaps/Spotlight_Innenteil_2018_redefining_policies_martens.pdf)> accessed 13 July 2022.

<sup>61</sup> Ibid.

<sup>62</sup> Del-Aguila-Arcenales, S., Alvarez-Risco, A., Jaramillo-Arévalo, M., De-la-Cruz-Díaz, M. and Anderson-Seminario, M.D.L.M., 'Influence of Social, Environmental and Economic Sustainable Development Goals (SDGs) over Continuation of Entrepreneurship and Competitiveness' (2022) 8 *Journal of Open Innovation: Technology, Market, and Complexity* 73, 1 <<https://www.mdpi.com/2199-8531/8/2/73>> accessed 13 July 2022.

<sup>63</sup> Environment UN, 'Sustainable Development Goals' (*UNEP - UN Environment Programme*, 19 October 2017) <<http://www.unep.org/evaluation-office/our-evaluation-approach/sustainable-development-goals>> accessed 17 July 2022.

The Sustainable Development Goals (SDGs) are global, multifaceted, and ambitious, and it is arguable that in order to fulfil them, we need an integrated framework that encourages a growth path that protects the environment and whose benefits are shared by everyone, not just by the fortunate few.<sup>64</sup> Thus, the idea of sustainable development forces us to reconsider how we interact with the world and how we anticipate that governments would implement policies that promote that worldview.<sup>65</sup> Local communities need to concentrate on a locally relevant subset of goals and comprehend potential future pathways for key drivers which influence local sustainability because the Sustainable Development Goals (SDGs) recognise the importance of action across all scales to achieve a sustainable future.<sup>66</sup> There is need for continuous creation of public awareness, civic education and creating avenues for public participation among the communities because to guide long-term local planning and decision-making to achieve the SDGs, local communities also need to understand the range of potential future pathways for their region and how they align with local sustainability objectives.<sup>67</sup>

It has rightly been pointed out that ‘since the world's poor understand scarcity and live "closer to nature," they have a better understanding of the finite nature of natural resources than the world's powerful and affluent elite, and they have a much greater immediate and vested interest in promoting change in the way that the world does business.

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<sup>64</sup> Ramos, G., "The Sustainable Development Goals: A duty and an opportunity." (2016): 17-21, in Love, P. (ed.), *Debate the Issues: New Approaches to Economic Challenges*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264264687-3-en>.

<sup>65</sup> Ibid.

<sup>66</sup> Szetey, K., Moallemi, E.A., Ashton, E., Butcher, M., Sprunt, B. and Bryan, B.A., ‘Co-Creating Local Socioeconomic Pathways for Achieving the Sustainable Development Goals’ (2021) 16 *Sustainability Science* 1251, 1251 <<https://doi.org/10.1007/s11625-021-00921-2>> accessed 13 July 2022.

<sup>67</sup> Ibid, 1251.

As a result, they have a better understanding of the need to focus social development strategies on empowering the poor. They must thus be given the authority and influence to actively shape economic policy rather than just responding to circumstances outside their control'.<sup>68</sup>

This calls for adoption of participatory and inclusive governance approaches that give all members of society and/or their representatives to air their views and actively participate in governance matters, in a meaningful way that impacts their lives positively. It has also been pointed out that while environmental law is essential to attaining sustainability, we also need to acknowledge that there is a need for a wide range of other pertinent laws, such as those governing land use and property, taxes, our governmental system, and other issues.<sup>69</sup> This is important in ensuring that sustainability is achieved in environmental, economic, social and governance aspects of development.

Corporations, through following ESG frameworks or guidelines, such as the *Nairobi Securities Exchange ESG – Disclosures Guidance Manual, 2021*, can also play a huge role in promoting sustainability within the localities that they operate in and the country at large. ESG Reporting should be encouraged and used as a tool of promoting sustainability within the companies, communities and country. Under this, organisations make it part of their operational procedures to report publicly on their economic, environmental, and/or social impacts, and hence its contributions – positive or negative – towards

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<sup>68</sup> Kramer, J.M. and Johnson, C.D., "Sustainable Development and Social Development: Necessary Partners for the Future." *Sustainable Development* (1996), 84.

<sup>69</sup> Dernbach, J.C. and Mintz, J.A., "Environmental laws and sustainability: An introduction," *Sustainability* 3, no. 3 (2011): 531-540, 532.

the goal of sustainable development.<sup>70</sup> As the business community seeks to invest in various sectors, there is a need for them to take into account ESG requirements under SDGs. The law (government) and other policy makers should work towards supporting businesses in their efforts to transition to more sustainable business models, through using various legal, policy and other effective incentives. The law should move towards ensuring that non-financial reporting on ESG becomes the standard mode of operation for ease of enforcing such principles as “the polluter pays principle”, among others. This is especially important as it has been pointed out that ‘previous literature, which attempted to investigate the link between sustainability and investment performance, found that a critical barrier to ESG integration is that investors lack reliable and non-manipulated information’, at least in other jurisdictions, practices which may also take place in Kenya.<sup>71</sup> While it may not be disputed that institutional investors vary in their approaches to integrating ESG factors into their investment decisions, the end game should at least show some tangible and verifiable positive results.<sup>72</sup>

It has also been suggested that businesses and companies should embrace technology and innovation in engineering and product development as well as with regard to management structures and entrepreneurship, which will arguably continue to be crucial to overall sustainability strategy. Doing more with less may be a challenge that

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<sup>70</sup> *Nairobi Securities Exchange ESG – Disclosures Guidance Manual, November 2021* <<https://sseinitiative.org/wp-content/uploads/2021/12/NSE-ESG-Disclosures-Guidance.pdf>> accessed 17 July 2022.

<sup>71</sup> Roy, P.P., Rao, S., Marshall, A.P. and Thapa, C., ‘Mandatory Corporate Social Responsibility and Foreign Institutional Investor Preferences’ (2020).

<sup>72</sup> OECD, *OECD Business and Finance Outlook 2020: Sustainable and Resilient Finance* (OECD 2020) <[https://www.oecd-ilibrary.org/finance-and-investment/oecd-business-and-finance-outlook-2020\\_eb61fd29-en](https://www.oecd-ilibrary.org/finance-and-investment/oecd-business-and-finance-outlook-2020_eb61fd29-en)> accessed 17 July 2022.

technology may help solve since it can reduce the strict ecological limitations while also relieving political and economic pressures (thereby allowing space and opportunity for more sustainability solutions from all quarters).<sup>73</sup>

## 7. Conclusion

According to stakeholders, the primary pillars of economic transformation and inclusive growth are: inclusive growth that reduces inequality; sustainable agriculture, food self-sufficiency and nutrition; diversification, industrialization and value addition; developing the service sector; and infrastructure development.<sup>74</sup> These focus on the economic growth as well as social aspects of development. The main goal of Social Sustainability and Inclusion's work is to support people in overcoming barriers that prevent them from fully participating in society, regardless of their gender, race, religion, ethnicity, age, sexual orientation, or disability, by collaborating with governments, communities, civil society, the private sector, and other stakeholders to create more inclusive societies, empower citizens, and foster more sustainable communities.<sup>75</sup>

It has rightly been pointed out that ‘every objective and target in the SDG framework is implied to depend on and impact one another,

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<sup>73</sup> Clune WH and Zehnder AJB, ‘The Three Pillars of Sustainability Framework: Approaches for Laws and Governance’ (2018) 9 *Journal of Environmental Protection* 211.

<sup>74</sup> Urama, Kevin, Nicholas Ozor, and Ernest Acheampong, "Achieving Sustainable Development Goals (SDGs) Through Transformative Governance Practices and Vertical Alignment at the National and Subnational Levels in Africa," *SDplanNet Africa Regional Workshop, March 3–5, 2014*, 3 <[https://www.iisd.org/system/files/publications/sdplannet\\_africa.pdf](https://www.iisd.org/system/files/publications/sdplannet_africa.pdf)> Accessed on 25 June 2022.

<sup>75</sup> ‘Social Sustainability and Inclusion: Overview’ (World Bank) <<https://www.worldbank.org/en/topic/socialsustainability/overview>> accessed 14 July 2022.

although the precise nature of these connections is yet unknown at this time. Due to the goals' and targets' integrated structure, advancements made toward one objective or another are connected to other goals and targets via causal chains and feedback loops. For these reasons, an integrated and systems-based approach to the SDGs is required to guarantee that these feedbacks are understood and handled. Countries will be better positioned to realise the transformational potential of the 2030 Agenda if mutually reinforcing activities are implemented and target trade-offs are minimised'.<sup>76</sup> As already pointed out, achieving sustainable development agenda requires an integrated approach that looks at the economic welfare of the people and the nation at large, while adopting a socially inclusive approach in all governance matters. Economically and socially empowered people are more likely to participate in governance matters objectively, without being distracted by poverty and other social ills, in order to also on the intergenerational aspect of sustainable development agenda for the sake of future generations. Thus, it is necessary at the local level, to support the economic and social self-determination of oppressed individuals and groups by enlisting the help of community leaders and the general public in creating locally tailored institutional responses to issues (such as fostering environmentally friendly industries as a means of combating unemployment) and encouraging communication between local interest groups regarding issues of sustainable development, and at the national level, for the government to offer all necessary support in promoting sustainability.<sup>77</sup> There is a need to adopt innovative governance approaches which integrate economic,

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<sup>76</sup> Cameron, A., Metternicht, G. and Wiedmann, T., "Initial progress in implementing the Sustainable Development Goals (SDGs): a review of evidence from countries." *Sustainability Science* 13, no. 5 (2018): 1453-1467, 1453.

<sup>77</sup> Kramer, J.M. and Johnson, C.D., "Sustainable Development and Social Development: Necessary Partners for the Future." *Sustainable Development* (1996), 85.

social development and sustainable development principles at multiple levels of social organization in addressing the serious challenges facing our globe and achievement of the 2030 Agenda on Sustainable Development Goals.<sup>78</sup>

What can be deduced from the foregoing discussion is that it is not enough to achieve sustainable development, as conceptualized by the ruling class and those in positions of decision-making; communities must actively be involved in decision-making to come up with strategies and approaches that take into account the unique economic, social and governance needs of particular group or class of people. The fundamental principles and values have already been captured under Article 10 of the 2010 Constitution of Kenya and if fully adopted and implemented within the development agenda, they can go a long way in ensuring that Kenya achieves satisfactory results as far as implementation and localization of the 2030 Agenda for Sustainable Development, and the SDGs are concerned. This is the only way that sustainability can be truly achieved and appreciated by all the people affected, while leaving a positive mark on their lives and the country in general. Realising Environmental, Social and Governance (ESG) tenets of Sustainable Development is an imperative whose time is ripe.

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<sup>78</sup> Ibid, 89.

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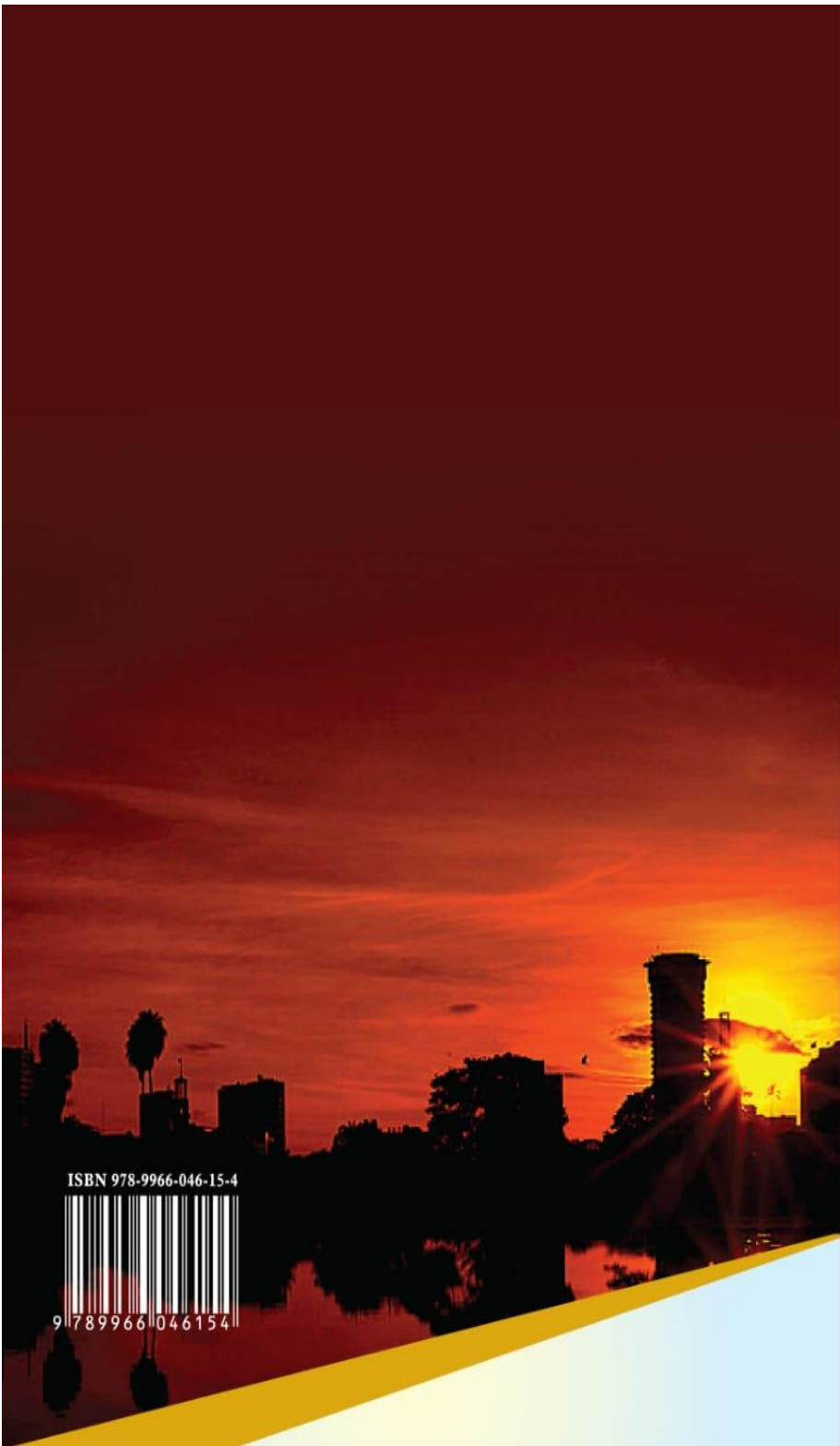
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**(2023) Journal of cmsd Volume 10(2)**

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ISBN 978-9966-046-15-4



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