

Canadian Business Leader Opinions *on the* Role of Business *and* Sustainable Development

Results *of a* Post-WSSD Survey

SUMMARY REPORT

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Summary of Post-WSSD Canadian Business Leader Opinions on The Role of Business and Sustainable Development

Fifty-two Canadian business representatives participated in a unique five-day post-WSSD e-mail dialogue and survey between February 24-28, 2003. The inquiry into the role of Canadian business and sustainable development led to several overall conclusions regarding industry opinion. The response rate for the various questions ranged between 83% and 67%. Below is a summary of the study's findings.

CONCLUSIONS

Business Engagement with Sustainable Development at WSSD

The majority of Canadian businesses participating in the study agreed that the World Summit on Sustainable Development (WSSD) in Johannesburg allowed *international* business to engage effectively with *international* decision making on pressing global social and environmental issues (61.5%). However, the widely held opinion is that *Canadian* business did not engage effectively at WSSD on international environmental and social decision making (48.8%). When inquiring as to the causes for this international-national division, there was a slight agreement that the Federal government was less well prepared than their international counterparts to engage in the WSSD process (55%). However, there was no clear majority opinion regarding the preparedness of Canadian business compared to their international counterparts, although a slight majority of business leaders engaged in the discussion thought that Canada faced greater structural barriers when engaging with international decision making on pressing global social and environmental issues (57.5%).

Sectoral Initiatives vs. Individual Business Initiatives

The inquiry showed that Canadian business people have much greater faith in sectoral initiatives (85.4%) rather than individual business initiatives (63.4%).

Leadership

In the context of leadership for sustainable business partnerships, the Department of Foreign Affairs and International Trade and

Industry Canada are seen as the most favoured government departments to lead public policy in the area (75.6% and 78% respectively). In the same context, Environment Canada and Team Canada were the least favoured (58.8% and 61%). The Canadian International Development Agency, Natural Resources Canada, and the Prime Minister's Office received intermediate assessments of 51.2%, 53.7% and 43.9% respectively. Nonetheless, the majority of participants do not want business to make its own way (53.7%), but more than a third of respondents do.

Sustainable Business Opportunities in Developing Countries

The study also showed that more respondents believe *their sector* will get actively engaged in markets for sustainable products and services in developing countries than in developed countries in the next 10 years (74.3% versus 62.9%). Around 9 out of 10 respondents believe that *Canadian* business, in general, will become more active both in developed and developing country markets. The means favoured for achieving Canadian business leadership in international sustainable product markets are the adoption of a coherent brand position strategy (62.9%) along with a more effective innovation strategy (94.5%).

Optimism

Finally, there was a high sense of optimism (88.9%) for Canadian business leadership on sustainability in the next ten years, assuming that effective government leadership and more effective strategies for branding and innovation take place.

Additional Analysis: Findings per Category

The responses were divided and analyzed further in order to assess if opinion tended to vary according to other factors, such as type of sector or involvement in the WSSD process.

The study divided responses into the following categories: natural resource respondents, manufacturing and service sector respondents, those respondents directly canvassed by Industry Canada and those that were not. The results of this division of by category are discussed below.

Natural Resources vs. Manufacturing Services¹

Statistical testing showed that the type of response a participant gave was strongly related to the category with which they were associated, either natural resources or manufacturing and services.² The natural resource sector tended to agree that WSSD allowed Canadian business to effectively engage in international decision making regarding pressing global environmental and social issues (47.5%), whereas the manufacturing and service sectors tended to disagree with this view (59.1%). As well, the natural resource sector found Canadian business to be less well prepared for the summit than their international counterparts (61.9%), while the manufacturing and service sectors were evenly divided between agreement, disagreement and no opinion on this issue. The same pattern of results presented itself with natural resources agreeing that the Federal government was less well prepared than its international counterparts for the summit (76.2%), with an equal division within the manufacturing and service sector between opinions of agreement, disagreement, and no opinion.

Contributors in the natural resource sector favoured the promotion of partnerships in sustainable business for business *regardless* of sector in order to increase Canadian impact on international decision making (70%), whereas their counterparts in manufacturing and services only agreed to partnerships *regardless* of sector by a slight majority of 57.7%. Rather, sector initiatives are the preferred means for manufacturing

and services (90.5%), while natural resources prefer both sector related and individual partnerships (80% & 70%). As well, regarding leadership in this area, Environment Canada was unpopular among natural resources with 75% disapproving of its involvement, while among the manufacturing and service sector only 42.9% object to Environment Canada taking on a leadership role in this area.

Finally, there was a higher inclination for the natural resource sector to believe their sector will get actively engaged in markets for sustainable products in *developing* country markets in the next 10 years (87.5% versus 62.3% for manufacturing and services). Around 9 out of 10 respondents in natural resource respondents believe that Canadian business, in general, will become more active in *developed* countries, whereas 8 out of 10 respondents in the manufacturing and service sector feel that Canadian business will become more active in *developed* countries. Finally, 100% of natural resource respondents believe that Canadian business, in general, will become significantly engaged in *developing* country markets, whereas only 73.7% of manufacturing and service sector businesses consider this to be the case.

Canvassed by Industry Canada vs. Unrelated Participant³

Statistical testing showed that the type of response a participant gave was strongly related to the category with which they were

¹ Where responses are similar, within 15% when compared, or the same, no details are given. Please see the statistical results for more information.

² For statistical results see the Chi Squared section of the full report for this research.

³ In the study those participants directly canvassed by Industry Canada about WSSD have been separated from business that were not canvassed. We believe that those canvassed by Industry Canada may have differing views due to their higher involvement with the Canadian government in the WSSD process.

associated, either canvassed by Industry Canada or Unrelated Participant.⁴ Those canvassed by Industry Canada agreed by 82.8% that WSSD allowed international business to engage effectively in international decision making on pressing global social and environmental issues, whereas all other respondents disagreed by 57.1%. Similarly, those canvassed by Industry Canada agreed by a slight majority (51.7%) that WSSD allowed Canadian business to engage effectively with international decision making, while other participants thought the summit was not effective from a Canadian business perspective (64.3%). Contributors who were canvassed by Industry Canada had a clear opinion that Canadian business was less well prepared for the summit than their international counterparts (63%), whereas other participants were of no opinion (61.5%). Likewise, canvassed contributors thought the Federal government was less well prepared than its international counterparts (63%), while other participants were of no opinion (46.2%).

Partnerships for Sustainable Business

There was a clear division of opinion regarding the question of how Canadian business can make more of an impact on international policy-making on pressing global environmental and social issues. While only a slight majority (57.7%) of those canvassed by Industry Canada thought partnerships in sustainable business regardless of sector was a reasonable option, all other participants favoured such action by a strong majority (73.3%).

Leadership

Regarding how Canadian business can make more of an impact on international policy-making in social and environmental areas, both groups agreed that leadership from Industry Canada and the Department of Foreign Affairs and International Trade (DFAIT) are the most important, however the degree of agreement varied among the groups. Those canvassed by Industry Canada favoured leadership from DFAIT by 65.4% while for all other contributors agreed

100% that DFAIT is the agency through which leadership should occur. The second choice for leadership was Industry Canada, favoured by those canvassed by 65.4%, and 93.3% by all other respondents. Regarding all other areas of leadership the two groups were clearly divided in opinion, with those canvassed by Industry Canada opposing leadership from Environment Canada by 73.1%, while all other participants favoured Environment Canada by 66.7%. Similarly, for those canvassed by Industry Canada, Team Canada leadership is an unpopular option at 69.2%, but for all others it is a slightly favoured source for leadership at 53.3%. Likewise, leadership from the Prime Minister's office (PMO) is not seen as an important source of leadership for the canvassed group (65.4%), whereas the other participants view the PMO as relatively important (60%). As well, Natural Resources Canada was disfavoured for a leadership role among those canvassed (61.5%), while it was a highly favoured candidate for leadership by all others (80%). Leadership from CIDA was unpopular amongst those canvassed (61.5%) while it was a reasonable option for all others (73.3%). Overall, it appears that those canvassed by Industry Canada have less faith in Canadian government leadership regarding sustainable partnership building when compared to all other respondents.

More Involvement in International Markets

Finally, 80% of those canvassed by Industry Canada thought that Canadian business will become more significantly involved in international markets for sustainable business in developed and developing countries over the next 10 years. While 100% of all other participants thought the above to be realistic. As well, only 56.6% of those canvassed by Industry Canada thought that it is important to have coherent brand positioning for Canadian business in general, while 80% of all other participants thought coherent brand position is important for Canadian business to become more engaged in international markets.

⁴ Please see statistical results (Chi-squared section) in the full report of this research.

Detailed Responses

1. *The World Summit on Sustainable Development in Johannesburg (August-September 2002) allowed international businesses to engage effectively with international decision-making on pressing global social and environmental issues.*

Strongly Agree 10.3%
Agree 56.4%
Disagree 28.2%
Strongly Disagree 2.6%
No Opinion 2.6%

2. *The World Summit on Sustainable Development allowed Canadian businesses to engage effectively with international decision-making on pressing global social and environmental issues*

Strongly Agree 5.1%
Agree 35.9%
Disagree 43.6%
Strongly Disagree 7.7%
No Opinion 7.7%

3. *Canadian businesses were less well prepared than their international counterparts to engage effectively with the WSSD process.*

Strongly Agree 9.4%
Agree 43.8%
Disagree 18.8%
Strongly Disagree 16.3%
No Opinion 21.9%

4. *The Canadian Federal Government was less well prepared than other international governments to help business engage effectively with the WSSD process.*

Strongly Agree 9.4%
Agree 53.1%
Disagree 12.5%
Strongly Disagree 3.1%
No Opinion 21.9%

5. *Canadian businesses face more structural barriers (for example small size, more limited geographical networks, fewer human resources), than their international counterparts when engaging with international decision-making on pressing global social and environmental issues.*

Strongly Agree 21.9%
Agree 33.4%
Disagree 33.4%
Strongly Disagree 0%
No Opinion 9.4%

6. For Canadian business to make more of an impact on international policy-making on pressing global environmental and social issues, Canada should:

- 1) **promote international opportunities for partnerships in sustainable business via STRATEGIC SECTORAL INITIATIVES**
87.1% agreement
- 2) **promote international opportunities for partnerships in sustainable business for INDIVIDUAL BUSINESSES** regardless of sector
58.1% agreement
- 3) provide overall leadership from the **Department of Foreign Affairs and International Trade**
80.6% agreement
- 4) provide overall leadership from **Industry Canada**
80.6% agreement
- 5) provide overall leadership from the **Canadian International Development Agency**
51.6% agreement
- 6) provide overall leadership from **Environment Canada**
38.7% agreement
- 7) provide overall leadership from **Natural Resources Canada**
51.6% agreement
- 8) provide overall leadership from **team Canada**
38.7% agreement
- 9) provide overall leadership from **the Prime Minister's Office**
45.2% agreement
- 10) **allow business to make its own way**
38.7% agreement

7. It is argued that for the Canadian economy to be more sustainable, Canadian businesses need to be more innovative and more internationally engaged - both in developed and developing countries - ideally through trade in sustainable products and services.

- 1) I expect my **INDUSTRY SECTOR** to become significantly more engaged in international markets for sustainable products and services in **DEVELOPED COUNTRIES** (eg Europe) in the next ten years.
AGREE 61.5% DISAGREE 34.6% DK 3.8%
- 2) I expect my **INDUSTRY SECTOR** to becoming significantly more engaged in international markets for sustainable products and services in **DEVELOPING COUNTRIES** (eg Africa, Latin America or Asia) in the next ten years.
AGREE 73.1% DISAGREE 23.1% DK 3.8%
- 3) I expect **Canadian business IN GENERAL** to become significantly more engaged in international markets for sustainable products and services in **DEVELOPED COUNTRIES** (eg Europe) in the next ten years.
AGREE 88.5% DISAGREE 7.7 % DK 3.8%
- 4) I expect **Canadian business IN GENERAL** to becoming significantly more engaged in international markets for sustainable products and services in **DEVELOPING COUNTRIES** (eg Africa, Latin America or Asia) in the next ten years.
AGREE 88.5 % DISAGREE 7.7 % DK 3.8 %

5) In order for Canadian business to become significantly more engaged in international markets for sustainable products and services, **it is important to have a coherent BRAND POSITIONING** for Canada/Canadian business in general.

AGREE 65.4 % DISAGREE 34.6 %

6) In order for Canadian business to become significantly more engaged in international markets for sustainable products and services, **it is important to have a more effective INNOVATION STRATEGY** for Canada/Canadian business in general.

AGREE 96.2 % DISAGREE 3.8 %

8. Given everything you have learned this week about the opinions of your peers in Canadian business on prospects for international markets for sustainable products and services, and assuming there is i) effective government leadership, and ii) more effective strategies for branding and innovation, how optimistic are you for Canadian business leadership on sustainability in the next ten years?

Very optimistic 16.7%

Somewhat optimistic 72.2%

Somewhat pessimistic 11.1%

Very pessimistic 0

Don't know 0