

Sustainability Indicators of Nations

A Contribution to Dialogue



Knowledge Management

Sustainability Indicators of Nations

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The online “**Sustainability Compendium**” makes the content of this publication available on the Internet in an organized and periodically revised manner, allowing for the management indicators to be always updated with the most relevant social and environmental responsibility issues in the country and in the world. The online “Sustainability Compendium” is, therefore, part of a collective effort of managers and mentors of CSR management indicators to broaden their use in Brazil and abroad. Its ultimate purpose is sustainable development and that Corporate Social Responsibility practices become embedded in all levels of first, second and third sector organizations.

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Creative economy and the reinvention of the economy

Evolution occurs in leaps and we are in the middle of one. And this is a huge leap that sets the transition of centuries, or even millenniums, when life was organized around material, tangible matters to an era when the intangible plays an increasingly central role. This is also a time of natural resources crisis, because land, gold and oil are finite and are being depleted, thus strengthening the importance of intangible resources. Knowledge, culture and creativity not only are resources that cannot be depleted, but the only ones that are renewed and multiplied by use. If I share an apple with you, each one of us gets half of it. If I share my knowledge with you, it triples: we get mine, yours and the result of our interaction.

Whereas the tangible/material is finite and limited, the intangible is elastic, unlimited, and can be the way to more inclusive models based in cooperation. When added to the digital technologies (bits are also infinite), we get a myriad of collaborative options and a new term can be coined: 'abundance economy' – which may originate more solidary lifestyles.

Furthermore, activities based on intangible resources are multi-dimensional and can influence the four dimensions of sustainability: economic, social, environmental and symbolic/cultural. They sure have a strong economic impact, but can go beyond that, acting as an environmentally correct social interaction factor that strengthens values, edges and credibility of communities and companies.

In theory, it all sounds wonderful, representing a potential that reminds us of a hen that lays golden eggs. The fact is, if we remain stuck with old models, our policies and structures will end up in a chicken soup of the hen that lays golden eggs.

Public-private sectors, third sector and creative entrepreneurs become aware of the change of times we are going through, the huge potential it offers, and the necessary shift in mentality and policies so we can take advantage of it. A core theme is the need to change wealth indicators and measurement and assessment methods. Trying to quantitatively measure the intangible resources or the four dimensions of sustainability is like trying to measure water with a measuring tape. It is impossible. We cannot measure multidimensional things in a linear way.

The economy itself calls for revision, since one of its definitions used to be 'scarce resources management.' Creativity and culture are abundant resources, mainly in the Southern hemisphere countries, and are an enormous asset that may lead to a thorough change in the concept of wealth and poverty. Resources go far beyond the idea of having money, and besides the economic dimension, should include the cultural, social and environmental dimensions as well.

Practice shows that the sustainable development equation is not simply economic. Each dimension has its own capital: human capital, cultural capital, social capital, environmental capital. This leads to a little known and studied currency exchange: investment made in monetary currency, for instance, may have a return in social currency; investment made in environmental currency may have a return in symbolic currency, and so on. Examples such as the music from the State of Pará in Brazil or audiovisual arts from Nigeria show how such conversion of 'currencies' works: the key success factor in these models lies in distribution, because these products are sold by street vendors. In this process, the monetary currency resulting from copyright is not received, but the visibility-currency is received, making the authors well known and desired, enhancing their market, which in turn generates the constant innovation currency, thus creating a broad and dynamic process that eventually generates monetary currency.

Measuring the intangible also implies shifting from an exclusively quantitative vision to one that includes the qualitative. The focus on results must be broadened to include the assessment of impacts: checking what has changed and the resulting benefits in other dimensions besides the economic one. Assessing results of music programs in the slums, such as the Affroreggae project, by the number of musicians that became professionals is like measuring liquid with a measuring tape. How much is the self-esteem of a community worth? How much are spared lives worth? How much is believing in the future worth?

Assessing and measuring creative and cultural activities requires parameters yet to be developed. For instance, the dance economy is little, maybe just the small sum of dancers, choreographers and performances. However, the economy of 'dancing' is large because it includes festivals (such as Carnival); nightlife; the entire fitness structure and respective equipment, rooms, contents, costumes, and so on.

The same way that, at the micro level, local projects development and their assessment and measurement methods should be multidimensional and have their 'capitals' and 'currencies' to represent such dimensions, the macro level should also have wealth and development indicators to assess governments and nations.

Comprehensive indicators must include natural and cultural wealth and diversity – the pillars of professional and personal relations: ethics, self esteem, solidarity, trust and other factors that ensure quality of life in a broader sense as proposed by the Gross National Happiness Index from Bhutan.

After all, for the first time in history we have resources, knowledge and people to create the world we want and deserve. It is a rare opportunity – made even more urgent and explicit by the crisis caused by the predatory 'financialism' – we can seize by reinventing the economy.

We are ending an era of great innovation, when several factors and languages had to become more 'economy-oriented.' From now on, the Economy will have to broaden its own sense to justify the Eco it bears – originated from the Greek word Oikos (house, home) as in Ecology. A New Economy to manage the abundant resources offered by the intangible resources and technology, in a world based on the perception of our inter-dependency and, consequently, aware that the answer lies in cooperation. A new Inclusive economy, whose dynamics will result from the harmonious relationship between the macro economy of scale and the micro economy of niches. A new economy that will require new measures, currencies and indicators.