

**BUSINESS PARTICIPATION
IN IMPLEMENTATION OF SOCIALLY
ORIENTED SUSTAINABLE DEVELOPMENT GOALS
IN COUNTRIES OF CENTRAL ASIA AND
THE CAUCASUS REGION**

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ABSTRACT

The authors have concluded that the degree of engagement of the business community in resolving sustainable development issues is one of the primary factors of its long-term competitiveness. The paper discusses topical private

projects and initiatives aimed at attainment of socially oriented Sustainable Development Goals as delineated in the U.N. document in 2015.

KEYWORDS: *sustainable development, transnational corporations (TNC), Millennium Development Goals (MDG), Sustainable Development Goals (SDG), SDG classification, socially oriented SDG, corporate social responsibility.*

Introduction

From the time of emergence of theoretical foundations of sustainable development in the 1960s-1970s, this concept began to embody the aggregate of challenges for transnational business operations. The pressure exerted by political elites and civil rights advocacy groups on large-scale business as a subject that is largely responsible for the state of the environment and the prosperity of consumers and society as a whole, forced the companies to critically assess their impact on the environment and the social sphere. With the evolution of the corporate social responsibility (CSR) and sustainable development concepts, which emerged practically simultaneously and began to develop interdependently over time, the private sector has incorporated them in its strategies, using them as the leading business operations principles. Ultimately, the 2030 Agenda for Sustainable Development¹, adopted by the U.N. in September 2015, has officially assigned private business one of the key roles in the process of achieving the Sustainable Development Goals (SDG) delineated in the document. In recent years, international organizations, as well as established consulting and audit companies have been publishing an unprecedented number of programmed documents and reports, which emphasize the need to engage the business community in resolving global issues and analyze opportunities that open up for the most socially responsible companies. Today, the leading TNCs are already implementing large-scale projects aimed at the simultaneous attainment of an entire range of SDGs. It is beyond doubt that in the nearest future the best practices in the sustainable development sphere will gain popularity and exert a significant impact on the operations of the entire business sphere, inevitably engaging new players in this process—from giant corporations to small and medium-sized businesses.

The aim of this paper is to analyze meaningful business cases presented by one of the leading TNCs in the interests of attaining socially oriented SDGs in the countries of Central Asia and the Caucasus region, as well as outlining the key tendencies that characterize the contemporary experience of business community participation in the resolution of socially meaningful problems in this region.

Methods and Materials

The Meaning of the Agenda for Sustainable Development for Business Operations

2015 was a landmark year in the evolution of the sustainable development concept due to a number of circumstances. Having confirmed the new version of the global agenda, the international

¹ See: “Transforming Our World: The 2030 Agenda for Sustainable Development,” available at [<https://documents-dds-ny.un.org/doc/UNDOC/GEN/N15/285/75/PDF/N1528575.pdf?OpenElement>].

community has, first of all, officially recognized the fact that the concept of sustainable development constitutes a complex aggregate of interdependent challenges and threats, which concerns the interests of all of the countries and actors in the global economy without exception, and, secondly, it was the first time that a U.N. document encouraged the private sector to act.²

According to the experts of World Business Council for Sustainable Development (WBCSD), it is the business community that will play the primary role in implementing the 2030 Agenda. This is stipulated by the fact that the private sector acts as the driver of economic growth, creates workplaces, and is the source of investments and the manufacturer of novel technologies and innovative solutions. Council executives believe that companies that structure their operational principles in accordance with the SDGs will be “better able to manage risks, foresee consumers’ new requirements obtain access to resources, and consolidate the foundation of sustainable supplies.”³ Meanwhile, the Council considers the new Goals an instrument that allows to link business strategies with global development priorities.⁴

First of all, business players that are participating in the implementation of any of the seventeen Goals, obtain such competitive advantages as efficient management of costs and risks, solidification of business reputation, as well as the establishment of strong ties with employees, consumers and other stakeholder groups. Meanwhile, it is apparent that the companies that actively promote the attainment of a maximum number of Goals will be able to provide a number of other advantages that affect the long-term viability of an organization. In connection with that, it is expedient to assume that in the near future an amplified interest in SDGs on the part of the private sector will lead to increasingly growing competition in the sustainability sphere of the corporate environment.

Results

Most Poignant Strategic Development Goals for the Countries of Central Asia and the Caucasus Region

Participation of the private sector in the implementation of a number of socially oriented sustainable development goals had begun long before their official declaration in the U.N. documents. Over the last decades, the business community has allocated significant resources to the eradication of poverty as the “most complex social problem of a global nature”⁵ and the improvement in health care quality in the least developed countries. These actions were taken in the framework of official development assistance programs and projects aiming at the attainment of 2000-2015 Millennium Development Goals (MDG). However, at that time, the Central Asian states, unlike countries of sub-Saharan Africa and South Asia, were not a priority region for the exertion of international efforts to resolve the key social problems.⁶ Nonetheless, due to the combination of certain socioeconomic and political factors (high global energy prices, U.S.S.R.-era achievements in the social sphere), the countries of the region have managed to demonstrate impressive results in attaining many MDGs between 1990 and

² See: *Ibidem*.

³ “Osmyslennye vlozhenia. Chastnye kompanii i investory dobivaiutsia tselei ustoichivogo razvitiia OON,” *Kommer-sant*, 19 December, 2016, available at [<https://www.kommersant.ru/doc/3175681>].

⁴ See: “Delivering on the SDGs: The Inclusive Business Approach,” available at [<http://www.wbcsd.org/Overview/News-Insights/Inclusive-Business-Insights/Delivering-on-the-Sustainable-Development-Goals-The-inclusive-business-approach>].

⁵ *Osnovy ekonomicheskoi politologii*, Textbook, ed. by E.B. Zavalova, МГУМО-University, Moscow, 2015, p. 292.

⁶ See: J.D. Sachs, *The End of Poverty. Economic Possibilities for Our Time*, The Penguin Press, New York, 2005, p. 339, available at [http://www.economia.unam.mx/cedrus/descargas/jeffrey_sachs_the_end_of_poverty_economic_possibilities_for_our_time_2006.pdf].

2015, including the eradication of extreme poverty (MDG 1) by 77%,⁷ reducing child mortality (MDG 4) by 55%⁸ and improving maternal health (MDG 5) by 44%.⁹ According to the data provided in the 2015 final U.N. report on the Millennium Development Goals, the Caucasus and Central Asia region became the absolute leaders among developing countries in the literacy level among the 15-24 population, demonstrating a 100% level among both men and women in 1990, 2000 and 2015.¹⁰ Meanwhile, the countries of the region are significantly behind the global level in ensuring ecological sustainability (MDG 7). In particular, 11% of the region's population lacks access to purified water sources.¹¹ Also, according to country classification by income, presented by the World Bank in 2017, Kyrgyzstan, Tajikistan and Uzbekistan are classified as countries with income below the world average GDP per capita.¹² In addition, the final U.N. report mentions that the share of female population working as hired laborers in the non-agricultural sector comprised 44%¹³ in 2015, while the share of women represented in national parliaments did not exceed 18%,¹⁴ which testifies to the preservation the "fundamental reasons" of gender inequality¹⁵ in the countries of the region, despite a certain progress in this sphere.

In that regard and in the framework of the updated 2030 U.N. Agenda, the following issues seem the most poignant: SDG 5 (gender equality), SDG 6 (pure water and sanitation) and SDG 10 (reduced inequalities). In his recent address, Assistant United Nations Secretary-General for Economic Development Lenni Montiel had particularly emphasized the priority of confronting the issue of social inequality (SDG 10) for Central Asian countries.¹⁶

Let's examine the specific projects and solutions proposed by the business community with the goal of achieving socially oriented SDG in this region, on the example of Coca-Cola, a transnational company and one of the industry leaders in sustainable development according to the 2017 Dow Jones (DJSI) World Index.¹⁷ Let's recall that the key social problems of humankind are formulated in detail in Goals 1, 2, 3, 4, 5, 6, 8, 10.

Discussion

Business Participation Experience in Implementation of Socially Oriented SDGs in the Countries of Central Asia and the Caucasus Region

Following the adoption of the 2030 U.N. Agenda for Sustainable Development in 2015, the U.N. Development Program and the Coca-Cola Foundation have launched a joint program *New*

⁷ See: *The Millennium Development Goals Report 2015*, U.N., New York, 2015, p. 14, available at [[http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20\(July%201\).pdf](http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf)].

⁸ See: *Ibid.*, p. 32.

⁹ See: *Ibid.*, p. 38.

¹⁰ See: *Ibid.*, p. 27.

¹¹ See: *Ibid.*, p. 58.

¹² See: *New Country Classifications by Income Level: 2017-2018*, World Bank Group, available at [<https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>].

¹³ See: *The Millennium Development Goals Report 2015*, p. 30.

¹⁴ See: *Ibid.*, p. 31.

¹⁵ See: *Ibidem*.

¹⁶ See: "Kakie iz tselei ustochivogo razvitiya naibolee aktualny dlia postsovetskikh stran?" OON News, 25 September, 2015, available at [<https://news.un.org/ru/story/2015/09/1271221>].

¹⁷ See: *DJSI Annual Review 2017. Industry Group Leaders 2017*, available at [<http://www.robecosam.com/en/sustainability-insights/about-sustainability/corporate-sustainability-assessment/industry-group-leaders.jsp>].

*World: Inclusive Sustainable Human Development Initiatives*¹⁸, implemented in the countries of Central Asia and the Caucasus region, as well as in Africa. In the framework of the program for close cooperation with international and local noncommercial organizations, Coca-Cola and UNDP are developing innovative solutions aimed at solving poignant social problems: providing access to clean water, improving sanitary conditions, employing efficient water resource management practices, expansion of socioeconomic opportunities and rights of women and youth.

The *New World* program in Azerbaijan is focused on the struggle with gender stereotypes and the resolution of the issue of integrating the female population in socioeconomic activities. In the context of the two-step project being implemented in the Azerbaijan cities of Baku, Neftçala and Salyan, the partners hold trainings that teach young women the skills required for job placement, including basic literacy, using information resources for job searches, special aspects of resume preparation, passing a job interview, etc. Special Women Resource Centers were opened in Neftçala and Salyan, helping women to acquire and develop the skills required for active participation in social life and entrepreneurship. Participants' most promising business ideas receive financing from the project coordinators. The program also promotes an equal opportunity policy, and engages women with disabilities in educational programs and subsequent job placement. As of today, 452 program participants have been able to find jobs or launch their own business. In addition, funds allocated from the budget were used to improve the sanitary conditions in five rural schools and kindergartens of the city of Neftçala. The project creators conduct lessons devoted to gender equality for teachers and students in Azerbaijani schools with the purpose of overcoming stereotypes. The program is still operational and has received financing in the amount of \$277,000.¹⁹

Coca-Cola and UNDP have proposed a similar initiative in Uzbekistan, having launched a project on "attaining economic prosperity in rural areas" in 2015.²⁰ The Pastdargom district of the Samarqand region is the locus of the organizers' attention—most of this district's male population are work migrants and are permanently domiciled in Russia, while the female population is forced to look for employment in the shadow sector of the economy. The *New World* program in Uzbekistan targets the expansion of opportunities for women through teaching traditional handicrafts to the participants. A knitting studio with all the equipment and supplies required for creative work was opened in the framework of the project. Training courses for local women that teach national carpet-making techniques have also been launched. These activities allow the participants to develop their creative skills and, as a result, to obtain greater economic independence, including launching their own business. In addition, the project launched by Coca-Cola and UNDP in Uzbekistan involves measures on the modernization of the regional water supply, which provides access to drinking water for the region's 1,300 inhabitants. The organizers also held a series of hygiene-related educational trainings for the local population with the aim of preventing pollution of potable water sources and spread of infectious disease.²¹

The issue of access to potable water, hygiene and sanitation is especially poignant for the rural area inhabitants in Kyrgyzstan. In 2015, the *New World* program had launched a special project in the Karamyk village in the Osh region. Village residents were forced to spend an average of two hours daily on obtaining water from the nearest river. Moreover, the collection of water is particularly complicated during the winter, and from the medical characteristics' viewpoint the water is often unsuitable for drinking. In the framework of the Coca-Cola and UNDP initiative there was equipment installed at a distance of 6 km from the Karamyk village with the purpose of distributing water from the water source to water

¹⁸ See: "New World. Inclusive Sustainable Human Development Initiatives," The Coca-Cola Foundation & UNDP [URL: file:///C:/Documents%20and%20Settings/prepodgchp/%D0%9C%D0%BE%D0%B8%20%D0%B4%D0%BE%D0%BA%D1%83%D0%BC%D0%B5%D0%BD%D1%82%D1%8B/Downloads/NewWorld_FinalBrochure_2017.pdf]

¹⁹ See: *Ibid.*, p. 7.

²⁰ *Ibid.*, pp. 46-47.

²¹ See: *Ibidem*.


columns located throughout the village. As a result, 2,800 village residents obtained unhindered access to clean potable water and were able to improve the quality of their life both from health protection and time management standpoints. In order to popularize this project, the project’s creators organized visits to the Karamyk village for residents of other settlements, and also held integrated educational events on the issues of sanitation and hygiene with the goal of preventing the subsequent pollution of reliable sources of potable water.²² A similar water supply infrastructure construction project has been launched for a thousand of rural residents in the Khatlon oblast and Murgab district of Tajikistan.²³

One of the poignant issues in national agriculture of the Republic of Kazakhstan is the need to implement modern irrigation technologies and improve the functioning of water transport systems. Such measures are required for more efficient water resource management, as well as for restoring the productivity of abandoned land. In 2015-2016, a program that involved the installation of automatic irrigation systems in agricultural lands with an area of 120 ha was launched in the Kyzylorda region as part of the *New World* partnership. As a result of these measures it was possible to save 1 million cubic meters of water. Owing to the project organizers’ initiative, 1,600 farmers were able to familiarize themselves with the best practices in the agricultural sphere in the framework of a special education course. 10,000 farmers have received educational materials on utilization of modern agricultural technologies that allow to expend water resources efficiently.²⁴

Such educational events are becoming especially relevant in the context of the deteriorating Aral Sea, which is located in the Kyzylorda region. In 2015, the Coca-Cola Foundation and UNDP have launched a joint project on implementing sustainable water usage practices in the Aral Sea region with the assistance from the local ecological and educational center “Tabigat Alemi.” A segment of the Sholakaryk channel spanning three kilometers in length was restored in the framework of the project that aims to improve land irrigation. Additionally, several thousand trees of particularly salt-tolerant species were planted by the organizers over an area of 14 ha with the aim of soil conservation. These events were accompanied by a wide-ranging educational campaign for children, female and male farmers on the issues of efficient water resource management and planting trees in deforested areas. The project resulted in the creation of new jobs in the forestry field, which proved highly sought-after among the workers of eighteen farming cooperatives.

Table 1

Socially Oriented SDGs Implemented in the Context of the Partnership between Coca Cola and UNDP in the Countries of Central Asia and the Caucasus Region

	Azerbaijan	Uzbekistan	Kyrgyzstan and Tajikistan	Kazakhstan
	✓	✓	✓	✓

²² See: Ibid., pp. 19-20.

²³ See: Ibid., pp. 37-38.

²⁴ See: Ibid., pp. 17-18.

Table 1 (continued)

	Azerbaijan	Uzbekistan	Kyrgyzstan and Tajikistan	Kazakhstan
3 GOOD HEALTH AND WELL-BEING 	—	✓	✓	—
4 QUALITY EDUCATION 	✓	✓	✓	✓
5 GENDER EQUALITY 	✓	✓	—	✓
6 CLEAN WATER AND SANITATION 	✓	✓	✓	✓
8 DECENT WORK AND ECONOMIC GROWTH 	✓	✓	—	✓
10 REDUCED INEQUALITIES 	✓	✓	✓	✓

Conclusion

Summing up the above, we should like to note that as the result of the official assignment in the renewed U.N. Agenda, the Sustainable Development Goals have become the mandatory criteria to be used in the foreseeable future to evaluate the activities of all organizations and institutions, including those in the business community. Today an increasingly large number of business players are aiming to make their own contribution to the resolution of humanity's global problems and integrate SDGs into their corporate strategies. In order to operate effectively under the conditions of ever-increasing competitiveness and satisfy the new requirements and standards, the business community has to evaluate the needs of their presence regions and analyze the experience of the companies that are pioneers in the sustainability sphere.

The analysis of the presented cases, which are implemented by the Coca-Cola Foundation, allows to distinguish several key tendencies that characterize the participation of the business community in the implementation of socially oriented SDGs in the countries of Central Asia and the Caucasus region.

- First of all, most of the projects initially focused on specific Goals, ultimately promotes an entire range of other SDGs. It can be tracked on the example of the above-mentioned initiatives how the Coca-Cola Foundation makes various contributions to the implementation of practically all the socially oriented SDGs that are poignant for that region. As demonstrated in the cases in question, the most relevant projects for the population of the states of Central Asia and the Caucasus region are the ones related to resolving the issues in the framework of SDGs 5, 6 and 10.
- Secondly, the companies need to heed closer attention to the mechanism of multipartite partnerships, which allows to join efforts and share the expenditures with international organizations, as well as the representatives of the third sector. The example of cooperation between Coca-Cola and UNDP in the context of the *New World* program supports the validity of this statement.
- Finally, it is essential to emphasize the inclusive character of the initiatives implemented by the business community. All the projects encompass such macroeconomic problems as eradication of poverty (SDG 1) and the reduction of inequality (SDG 10). A high demand for services and goods can only be generated within a stable and prosperous society, which determines the special commitment of the private sector to the resolution of the socio-economic problems. It is precisely the regard for the above-mentioned factors and tendencies that will make the future business projects in the sustainable development sphere the most solicited and efficient for the companies from the viewpoint of the obtained competitive advantages.