The Role of Businesses in Building a Fairer and More Sustainable Economy
To meet the Sustainable Development Goals of the 2030 Agenda, we must rethink our economic and business models. Poverty eradication, promotion of decent work, winning the fight against climate change - to name a few - are objectives that cannot be achieved without the support of the business sector, which employs most of the workforce in Ibero-America and has a vital importance and impact on its GDP.

Fortunately, as this survey on the Ibero-American perspective on the role of businesses in sustainable development shows, this economic revolution has already begun. The demands from our citizens and consumers have changed. Therefore, there is an important opportunity for the market to do so as well.

The results of this study are extremely revealing and show the deep commitment of Ibero-Americans to sustainable development. More than 90% are concerned about climate change and inequality. 91% believe that the private sector should change its business models. Two out of three believe that companies should contribute to the Sustainable Development Goals. And 86%, that those with a social impact should receive aid, pay less taxes and be the only ones to access government procurement.

This study shows that our citizenship is aligned with one of the main postulates of the 2030 Agenda: sustainable development is not just a corporate or government issue - it is everyone’s business. The message, therefore, is very clear: just as business as usual ought to be rethought for greater social benefit and reduced environmental impact, the government also has an important role to play for businesses to achieve this transformation.

Our citizens already know what they want; the best news is, it is what the 2030 Agenda wants. With their money and work, they are willing to make it possible. The ball is now on our governments and businesses’ court. Faced with this new demand, change cannot be kept waiting.
Index

1. Executive Summary

2. Main results

3. Methodology
This study shows the opinions of 3,550 citizens from 11 Ibero-American countries (Argentina, Brazil, Colombia, Costa Rica, Chile, Ecuador, Mexico, Panama, Peru, Portugal and Spain) about the role that businesses and the private sector can and should play in creating a fairer and more sustainable economy and achieving the SDGs of the 2030 Agenda. Among the main results of the opinion poll, the following stand out:

Most Ibero-Americans pinpoint businesses as the main responsible for climate change; 91% think that if the private sector does not change its way of acting and develops a fairer and more sustainable model, next generations will live worse than their parents.

More than 85% believe that companies with a positive social or environmental impact should receive aid, pay less taxes and be the only ones with access to government procurement.

Despite this, 35% do not know what a social business is, and only 3% are able to name one.
Most Ibero-American citizens are very concerned about Climate Change and the increase in inequality. This concern is similar throughout all social groups, regardless of their gender, nationality, or ideology.

**Main results**

- **Climate Change Worries Me...**
  - A lot: 68%
  - A little: 25%
  - Not much: 4%
  - Nothing: 2%
  - I don’t believe in Climate Change: 1%

- **Inequality Worries Me...**
  - A lot: 75%
  - A little: 20%
  - Not much: 3%
  - Nothing: 1%
  - I don’t believe in Climate Change: 1%
One in three Ibero-Americans believes the private sector is the main responsible for climate change

32% of those surveyed point to companies as the second most responsible for climate change, ahead of governments (18%), although behind citizens (50%). There are, however, big differences among countries of the region. In Spain, Portugal and Chile, businesses are considered the main culprits. In Panama, Costa Rica and Ecuador, society is especially critical of its own role in planet degradation.
Most Ibero-Americans (72%) blame the government for poverty and inequality. Only 8% attribute this problem to businesses.

### WHO IS RESPONSIBLE FOR POVERTY AND INEQUALITY?

- **Citizens**: 20%
- **Businesses**: 8%
- **The Government**: 72%

Seven out of ten respondents consider governments to be the main responsible for poverty and inequality in their countries, while only a minority point to business (8%) or citizens (20%). This attitude contrasts with the allocation of responsibilities in climate change, which is more evenly distributed among these three actors.
62% considers the company in which they work cares little or nothing for their social and economic well-being

**HOW MUCH DOES THE COMPANY YOU WORK AT CARE FOR YOUR SOCIAL AND ECONOMIC WELL-BEING?**

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<th></th>
<th>A lot</th>
<th>A little</th>
<th>Nothing</th>
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<td></td>
<td>38%</td>
<td>49%</td>
<td>13%</td>
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Six out of ten respondents feel their companies care little or nothing for their social and economic well-being, despite considering this should be one of the main objectives of any business. Dissatisfaction levels are highest among the eldest age group and drop significantly among younger people. At a country level, the highest values of discontent are given in Portugal, Spain and Argentina, in this order. The respondents most satisfied with their places of work are from Colombia, Costa Rica and Ecuador, respectively.
More than half of those surveyed think that the main objective of any company should be improving the quality of life of their employees and clients, but only a third consider this is the real priority for the company they work for.

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<tr>
<th>WHICH DO YOU THINK SHOULD BE THE MAIN OBJECTIVE OF EVERY COMPANY?</th>
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<tr>
<td>Earn money</td>
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<td>Create jobs</td>
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<tr>
<td>Improve the quality of life of employees and clients</td>
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<tr>
<td>Help society</td>
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<td>Other</td>
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Ibero-Americans consider that there is a significant gap between the ideal objectives and the real objectives of the private sector. Only 9% think that the main aspiration of businesses should be earning money rather than having a positive social or environmental impact. However, 34% state that this is precisely the case for the company they work for.
For one in three Ibero-Americans, feeling they have a positive impact on the world is the most important aspect of their work.

**WHAT IS MORE IMPORTANT FOR YOU AT WORK?**

<table>
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<tr>
<th>Feeling that I have a positive impact on the world</th>
<th>Earning a good salary</th>
<th>Feeling respected and valued by my colleagues</th>
<th>Obtaining recognition by the society</th>
<th>Other</th>
</tr>
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<tbody>
<tr>
<td>27%</td>
<td>22%</td>
<td>19%</td>
<td>18%</td>
<td>9%</td>
</tr>
<tr>
<td>20%</td>
<td>23%</td>
<td>20%</td>
<td>22%</td>
<td>8%</td>
</tr>
<tr>
<td>32%</td>
<td>21%</td>
<td>18%</td>
<td>16%</td>
<td>9%</td>
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</tbody>
</table>

For 27% of respondents, feeling they make a positive impact on the world through their work is as or more important than earning a good salary (22%) or feeling respected (19%). In all age groups, producing a positive impact remains the priority objective. Among the younger ones, the second priority is earning a good salary, whereas the older ones prefer more stability.

The main difference arises when controlling for educational levels. Respondents with a university degree are particularly concerned about making a positive impact on the world through their work (32%), while people without a university degree are more concerned about earning a good salary (23%) and job stability (22%).
There is hardly any contradiction between the individual aspirations of the worker and the ideal objectives he attributes to his place of work.

### WHAT IS MORE IMPORTANT FOR YOU AT WORK?

- **Earning money**: 22%
- **Others**: 78%

### WHICH DO YOU THINK SHOULD BE THE MAIN OBJECTIVE OF EVERY COMPANY?

- **Earning money**: 9%
- **Others**: 91%

Ibero-American citizens are consistent with their expectations. Only **2 out of 10** consider earning money the most important aspect of their job; a proportion similar to those who think economic profit should be the main objective of companies (1 out of 10).
The majority of Ibero-Americans believe that companies should play a fundamental role in creating a fairer and more sustainable economy

91% think that if the private sector does not change its way of acting and develops a fairer and more sustainable model, next generations will live worse than their parents.

IF THE PRIVATE SECTOR DOES NOT CHANGE THEIR WAY OF DOING BUSINESS, FUTURE GENERATIONS WILL LIVE...

The vast majority of respondents believe that companies can and should play a decisive role in creating a fairer and more sustainable economic model and that failing to do so will have severe consequences for future generations. This opinion is predominant throughout all groups, regardless of their age, gender, nationality and - perhaps most relevantly – ideology.
67% of those surveyed believe that companies should contribute to the Sustainable Development Goals

Ibero-Americans think governments (85%), companies (68%) and citizens (66%) should be the main agents promoting the fulfillment of the SDGs. Less than half of those surveyed believe that the United Nations and NGOs should play an important role in the 2030 Agenda. Among older respondents, this view is more pronounced: they tend to demand more from governments and expect less from non-profit organizations.
Most Ibero-American citizens want their government to support social enterprises through fiscal aid and changes in public procurement systems.

- **85%** think governments should only work with companies that treat their workers properly and respect the environment, even if they offer more expensive services than traditional companies.

- **91%** think companies making a positive social or environmental impact should receive government support and pay less taxes.

- **Nine out of ten** Ibero-Americans support implementing aids, tax regimes and special public procurement mechanisms to support companies with a positive social and environmental impact.
The willingness to support social impact businesses with fiscal measures and policies is similar throughout all ideologic and socioeconomic groups

- Businesses that have a positive social or environmental impact should receive government support and pay less tax.
  (% answering totally agree or agree)

- Governments should only work with companies that treat their workers well and respect the environment, even if their services are more expensive than those of traditional companies
  (% answering totally agree or agree)

By income quintile

1
- 85%
- 81%

2
- 88%
- 85%

3
- 89%
- 84%

4
- 90%
- 85%

5
- 92%
- 87%

By ideology

- The idea that social enterprises should receive tax advantages and have exclusive access to public contracts is widely supported by all social groups. Sympathy towards public procurement exclusiveness varies 5% depending on ideology (89% in left-wing voters, 85% in centrists and 84% in right-wing voters) and is practically the same regarding fiscal aid (left wing: 90%, centrist: 90%, right-wing: 92%). Support for both statements rise slightly with income level.
65% of Ibero-Americans say they know what a social business is, but only 3% can name one correctly.

Most Ibero-American citizens claim to know what a social business is, but less than 13% can name one correctly. Within this group, only one of four answers correctly. The rest considers public entities (e.g., local governments), foundations, international organizations (Unicef), NGOs, and multinational and national companies as “social businesses”. Despite their philanthropic work and corporate social responsibility (Coca-Cola), this group cannot be considered part of the social economy. It should be noted that cooperatives are the least recognized among social enterprises (0.2%), even though these make up the largest part of the social economy in all Ibero-American countries.
Profile of respondents submitting an example of a social business

Young people exhibit the greatest knowledge of social businesses: 30% compared to 18% for those over 65. Other influencing factors are income level and, above all, educational attainment. People with higher incomes know more social enterprises, while those with a university degree say they know more social enterprises than those who did not attend university.
This study analyzes the responses of a representative sample by gender and age of 3,550 adults (18-99) from 11 Ibero-American countries. Responses were collected electronically in February 2019 through Survey Monkey Audiences. Respondents received small payments for their participation.

Data analysis was coordinated by Dr. Diego Rubio. The following researchers participated: Dr. Carlos Lastra, Luis Fernando Pizarro, Beatriz García Jiménez and Felipe Larraín Cisternas.

Recommended Citation: SEGIB, The role of businesses in creating a fairer and more sustainable economy. Ibero-American Opinion Study, Madrid: Ibero-American General Secretariat, 2019.
The Fourth Sector is an international project led by the Ibero-American General Secretariat (SEGIB) and the United Nations Development Programme (UNDP) that seeks to promote the creation of a more prosperous, fair and sustainable economy in the 22 countries of the Ibero-American Community, through the development of an ecosystem supportive of social businesses.

Over the past two decades, the boundaries separating the public, private and non-profit sectors have begun to blur, as pioneering organizations have begun to combine business methods with social and environmental objectives. These “hybrid” organizations take on a variety of forms (B-corps, cooperatives, social and sustainable businesses, civic ventures, etc.), but they all share the same purpose: achieving financial success while tackling problems such as poverty, inequality and climate change.

Their modus operandi renders these companies as one of the best instruments available for countries today to solve the major challenges they face and achieve the Sustainable Development Goals (SDGs) of the 2030 Agenda. However, it will not be possible to succeed at transforming these dimensions without support. In order to thrive, social businesses will need an adequate ecosystem, a “fourth sector” able to adapt to their characteristics and allow them to grow without having to give up their values and their social impact mission. Creating this fourth sector will not be easy. It will require a sustained effort at an international level to adopt new regulatory frameworks, incorporate alternative financial instruments, and transform business culture.

Our project aims to drive this process in several ways: by producing applied research on the possibilities and challenges of the fourth sector, training entrepreneurs and public officers, creating talent and leadership hubs, organizing conferences and meetings, coordinating awareness-raising campaigns, and advising Latin American governments on the implementation of the necessary regulations and incentives. In this way, we hope to contribute to the generation of a more humane, just and sustainable economy, in line with the 2030 Agenda and the general interest of the more than 650 million Ibero-Americans.

Find out more at www.elcuartosector.net