A SOCIAL PARADIGM SHIFT

Thomas Kuhn, an American philosopher of science, noted in his book “The Structure of Scientific Revolutions” that a revolutionary change, or paradigm shift, brings about great progress in science. A paradigm shift overturns the basis of existing concepts, laws, and theories, and provides the scientific community with new insights, methods, and goals. Copernicus upended the conventional wisdom about celestial bodies, and Einstein fundamentally changed the concept of space, time, and mass. A great paradigm shift sheds light on new issues and unearths challenges to be solved, and each time scientists find themselves in another world.

In 2015, humankind experienced the first “social” paradigm shift: the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change were adopted. People challenged the old definition of affluence and increasingly questioned the blind pursuit of GDP growth. If the standard for measuring affluence is replaced, existing norms could all be refuted.

For more than 100 years, Yokogawa has adhered to its founding values, one of which is “contribution to society.” Yokogawa also complies with its Corporate Philosophy, which inherits the founding values and aims to achieve a society with great affluence. But what is affluence? How is it defined? This paper examines the SDGs as a new standard for affluence and discusses how to consider social paradigm shifts and what we need to do to achieve a truly affluent society.

REDEFINITION OF AFFLUENCE

In 1972, the Club of Rome published its report “The Limits to Growth,” highlighting the finite supply of resources. Nearly a half century later, people are now facing enormous challenges in terms of the economy, society, and the environment. Economic growth had been expected to ensure a rich and prosperous life. Ironically, however, it has become clear that economic growth itself poses a serious threat to people themselves as well as the environment, which is indispensable for their existence. Meanwhile, digital technology is developing quickly, causing huge changes to the framework of industry and society. For example, the sharing economy is growing, in which people no longer own but rent goods only when needed. The younger generation skillfully uses social networking services (SNS) for communication; these digital natives easily transcend borders and established frameworks and quickly find ways to work with people in other sectors and locations.

Under these circumstances, the UN drew up the SDGs as an effective policy framework. Previously, people focused on economic value; the SDGs added a new standard of social and environmental value. This new standard is based on the concept of triple bottom lines, which aim to balance the economy, society, and the environment during development. The standard also assumes that the current generation must not sacrifice future generations for the sake of abundance today. This is an instinct common to all living things.

The Business & Sustainable Development Commission, an advisory body to the World Economic Forum, published “Better Business, Better World” in 2017. This report estimated that achieving the SDGs could create market opportunities worth US$12 trillion annually. Environmental, social, and governance (ESG) investment and green bonds are spreading rapidly, and more funds are flowing to projects that are considered to create social and environmental value. Although the paradigm is still shifting and the definition of affluence is changing, this trend is increasingly affecting companies.

2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

What is social and environmental value? A clue can be found in “2030 Agenda for Sustainable Development,” which was adopted at the Sustainable Development Summit 2015. This document lists the principles to be followed by all nations, which can be categorized as human-rights-based, inclusivity, universality, equity, integration & indivisibility, participatory, and transparency & accountability. The SDGs, consisting of 17 goals and 169 targets, are part of this agenda, and these principles underlie the concept of the SDGs. This document also sets forth a vision for human beings to aim for by 2030, globally recognized challenges, means for achieving the vision, the roles of each organization, and so on. This agenda is a charter for the people and the planet in the 21st century.
To stay on track toward reaching the distant goal of achieving an ideal society by 2050, we need a “compass” in the form of key performance indicators (KPI). With reference to SDG Compass, Yokogawa determined specific KPIs in 2018. These are not directly based on our outputs. Our outputs such as products and solutions increase outcomes for customers. Therefore, we can check whether we are on track by measuring the increase in customers’ economic value and how much this impacts on society and the environment. For this reason, Yokogawa set customers’ economic value and social and environmental value as mid-term KPIs until 2030. Although many factors in outcomes and impacts are still difficult to measure, companies around the world including Yokogawa will work on measuring value that has not been measured before, but which will ensure affluence in the future.

Focusing on the SDGs, this paper explained the social paradigm shift and the change in the definition of affluence, and described Yokogawa’s commitment. The author would like to conclude with the following quotation from the 2030 Agenda:

“The future of humanity and of our planet lies in our hands. It lies also in the hands of today’s younger generation who will pass the torch to future generations.”

REFERENCES