

P.R.O.M.I.S.E.

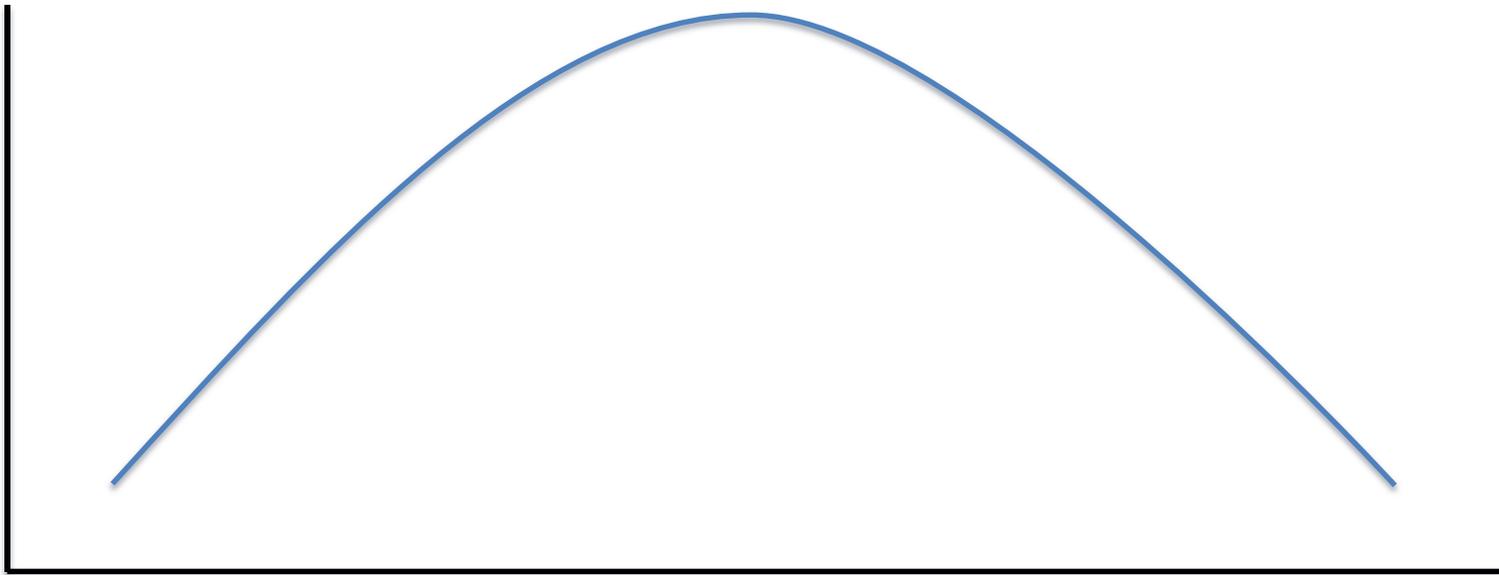
15.014

Dimensions of Sustainability



Measurement Quality

Measurement Quality



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What you measure changes what you do!

Principles are simple

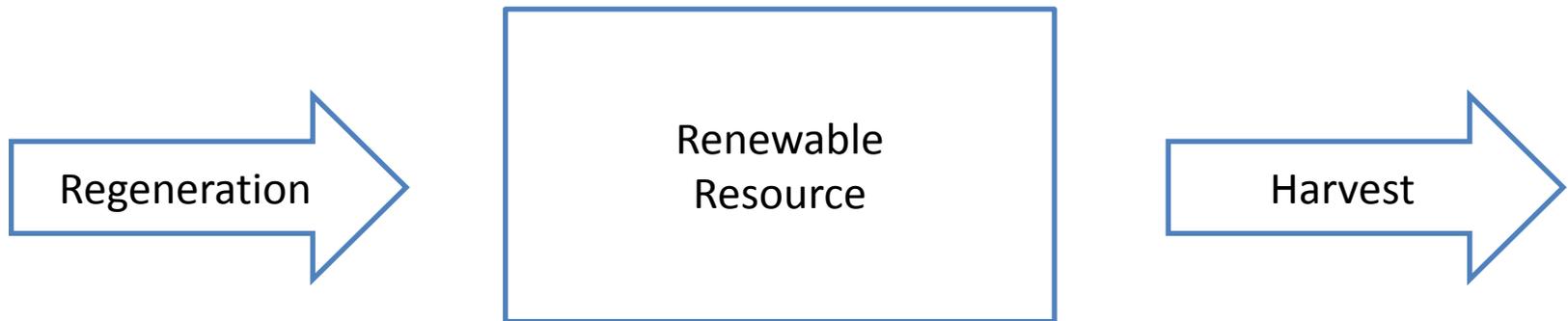
- What makes a person Happy?
- What makes a relationship healthy and long lasting?
- What makes an organization viable and thriving?
- What makes the macroeconomy sustainable?
- What makes institutions sustainable?
- What makes the society and the political system sustainable?
- What makes the environment sustainable?

Environment: Principles

- Daly's Principles
 - Renewable resources
 - Pollution and waste
 - Nonrenewable resources

Renewable resources

- You cannot take out more than you can put in!



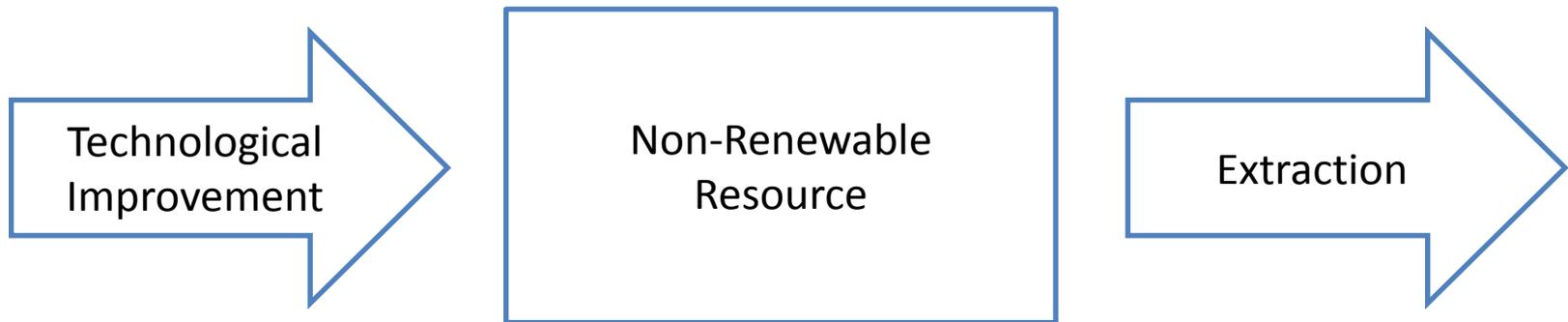
Pollution and waste

- You cannot put in more than you can take out!



Non-renewable resources

- You cannot take out more than your technological advancement!



Implementation is hard!!!!

- How can we ensure the principles of environmental sustainability?
 - What to control?
 - Control the stocks?
 - Control the flows?
 - How to control?
 - Quotas
 - Taxes
 - How to measure?
 - What can be measured to guarantee we can
 - Evaluate progress
 - Evaluate misbehavior or violations of agreements

Conflict across Dimensions

- Poverty and Social Safety Net
- Environment and Consumption
- Competition and Efficiency
- Technological Progress and Growth
- Education and Growth
- Presentation in PPT
- Poverty and Environment

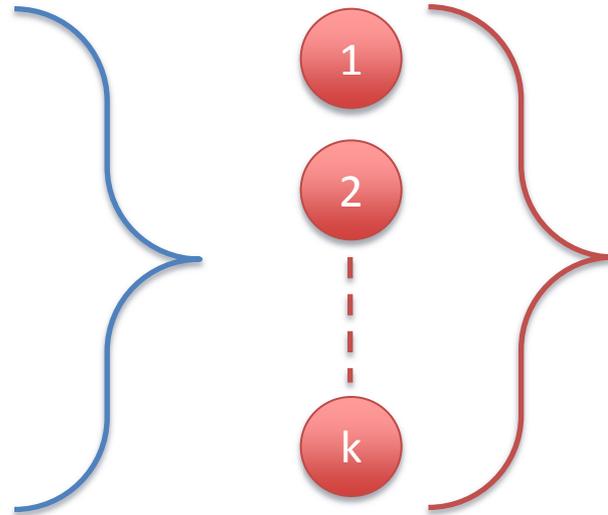
Poverty

Dimension of Poverty	What can we do?
Lack of Income and Consumption	
Lack of proper housing	
Quality of goods and services is lower	
Lower skills and worse health	
Respect of Rule of Law, Contracts	
Lack of ability to develop and maintain networks	
Lower ability to develop relationship	
More crime and higher security concerns	
Lack of Hope	
Lack of Planning	
Lack of ownership on their own vision and role in the society	

Poverty



Dimensions that
Matter



Dimensions that
are Attended

You need to overcompensate the dimensions you attend to compensate for the lack of attention to the dimensions that are disregarded

You need to provide a lot of consumption, housing, and transfers to compensate for what we do not know how to solve.... Hence the environment is affected.

Poverty

Dimension of Poverty	What can we do?
Lack of Income and Consumption	Subsidies to income and consumption
Lack of proper housing	Provide housing
Quality of goods and services is lower	
Lower skills and worse health	Provide schooling and health services. Usually we provide worse services
Respect of Rule of Law, Contracts	Punishment for deviations?
Lack of ability to develop and maintain networks	
Lower ability to develop relationship	
More crime and larger security concerns	Punishment for deviations?
Lack of Hope	
Lack of Planning	
Lack of ownership on their own vision and role in the society	

Poverty

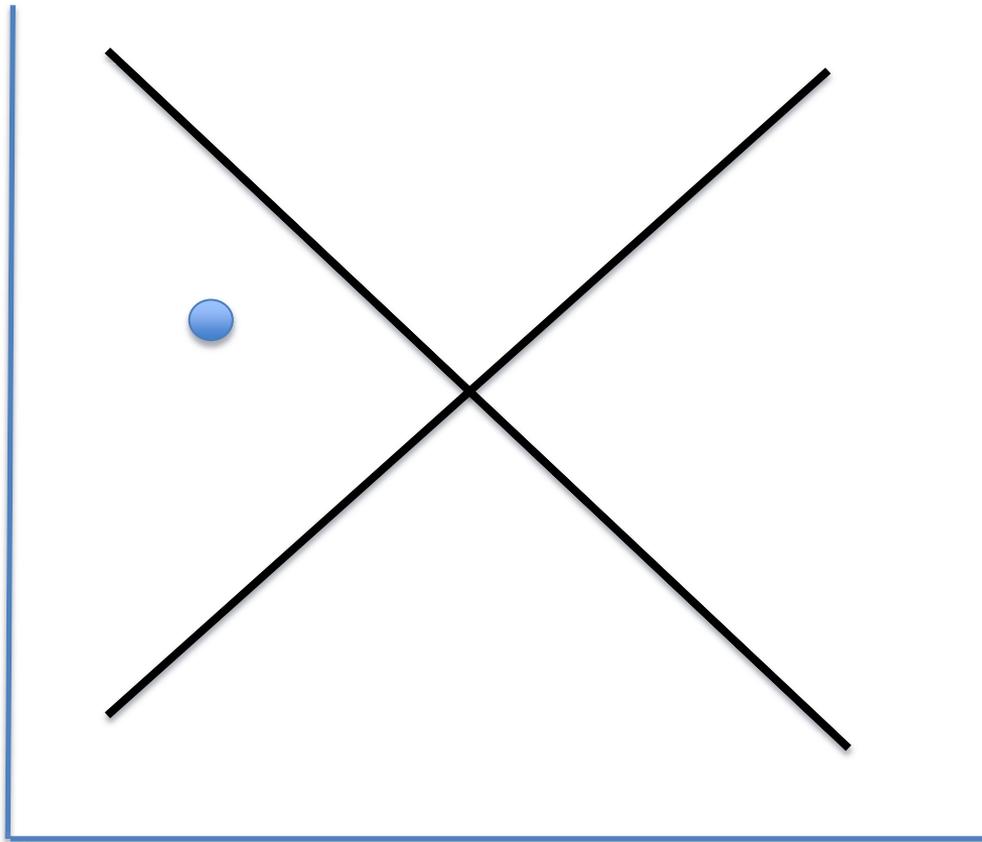
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What can a manager do?

- Environment?
- Social and Political?
- Institutions?
- Markets?
- Organizations?
- Relations?
- Personal?

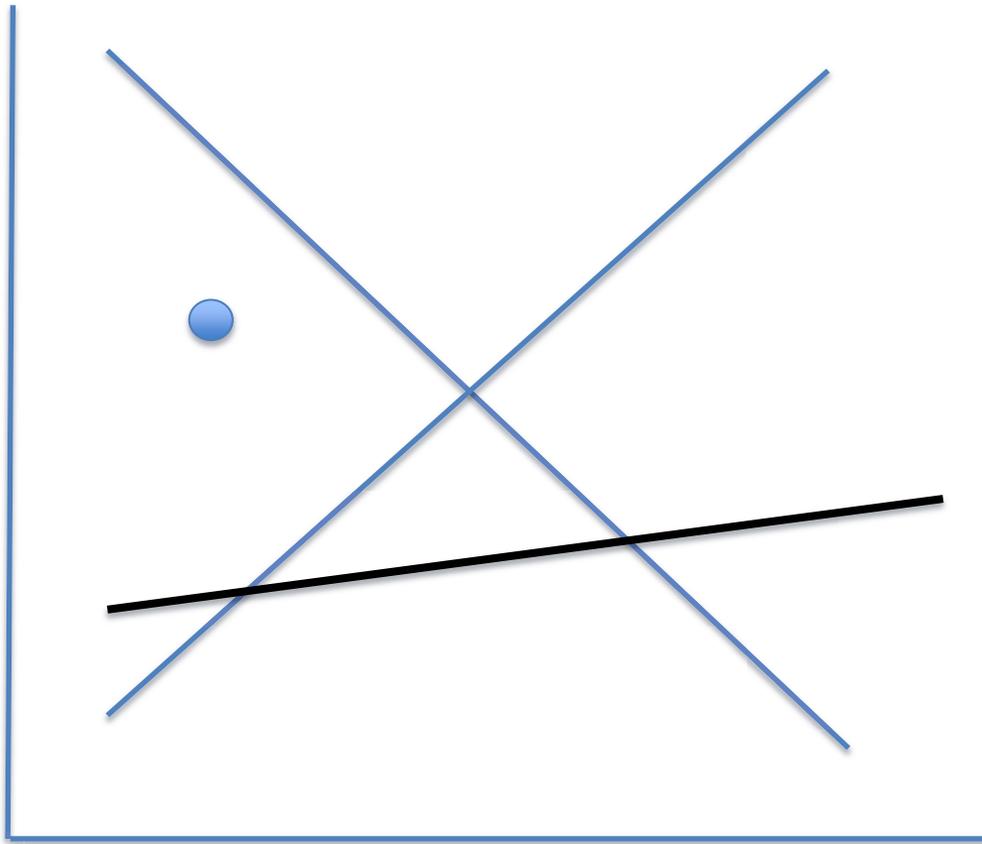
Plan

- Macro Sustainability



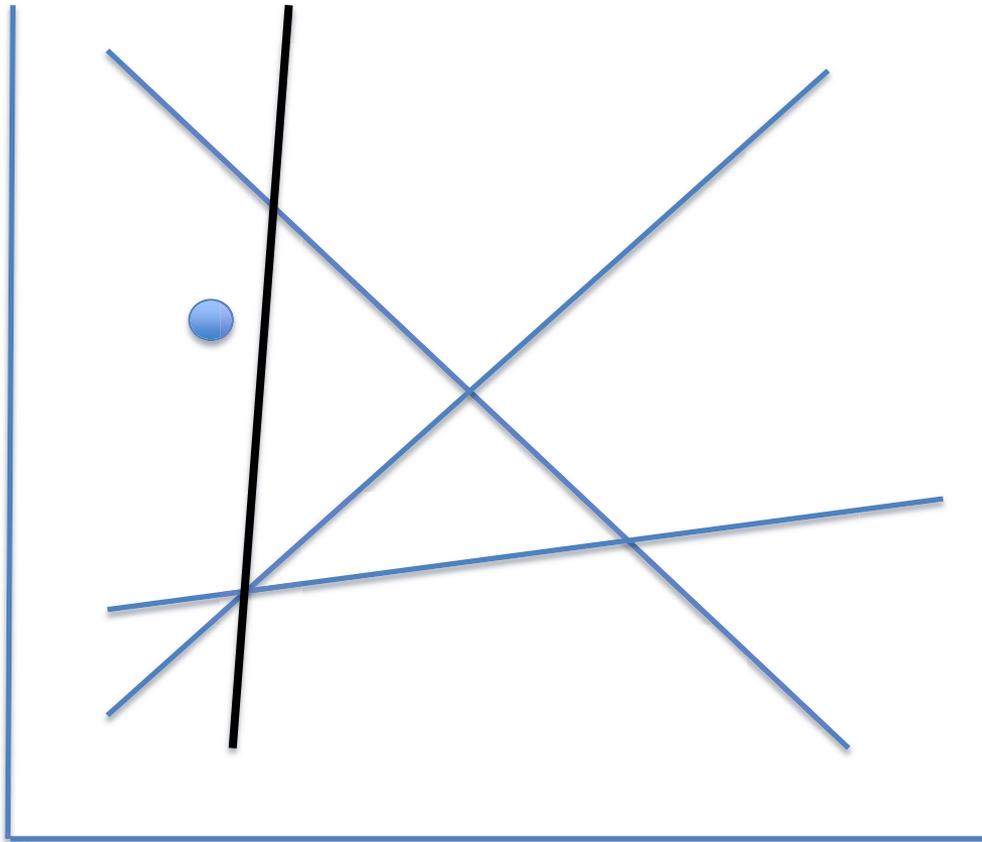
Plan

- Macro and Social/Political



Plan

- Macro, Social/Political, and Environment



Institutions and Policies

- Public Finance
 - Why we need governments? And what can be done?
 - Market failures.
 - Natural Monopolies
 - Externalities
 - Social Insurance
 - Public Choice
 - Public Goods
 - Unacceptable Outcomes

Technologies and Macroeconomics

- Mobile Banking and Mobile payment system
- Cryptocurrencies
- Macroeconomic Measurement

Promise

- Personal and Relationship

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