

# SDGs as Strategic Policy Instruments: Rethinking Corporate-State Collaboration

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## ABSTRACT

The United Nations' 2030 Agenda for Sustainable Development, anchored by seventeen Sustainable Development Goals (SDGs), was adopted in 2015 as a universal framework for addressing the world's most pressing economic, social, and environmental challenges. While the SDGs were drafted primarily as a framework for state action, the scale of the investment and behavioral change they require has drawn corporations into their implementation in ways that are still being worked out. This paper examines the SDGs not simply as aspirational targets but as strategic policy instruments, tools through which both states and corporations can define their long-range priorities, structure their partnerships, and legitimize their actions in a contested global governance landscape. It draws on stakeholder theory, shared value frameworks, and institutional theory to build an account of how corporate-state collaboration around the SDGs can be structured to produce outcomes that are strategically meaningful for both parties rather than merely symbolic. Real-world cases from different sectors and geographies illustrate the conditions under which this collaboration tends to work and the conditions under which it tends to produce more rhetoric than results. The paper concludes with practical advisories for managers who are responsible for translating SDG commitments from boardroom statements into operational realities.

**Keywords:** Sustainable Development Goals, SDGs, corporate-state collaboration, strategic policy instruments, shared value, stakeholder theory, corporate sustainability, 2030 Agenda

## INTRODUCTION

When the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development in September 2015, it did something that previous global development frameworks had not done as explicitly: it called on the private sector to play a central role in achieving the goals. The seventeen SDGs and their 169 targets address everything from poverty eradication and clean energy access to reduced inequalities and climate action. The financing gap alone, which the UN estimated at roughly \$2.5 trillion annually for developing countries, made it clear that state resources and official development assistance would not be sufficient. Corporations, and the capital, technology, and organizational capacity they control, were going to have to be part of the picture.

That observation, while widely accepted, has led to a good deal of confused thinking. Much of the discussion about corporate engagement with the SDGs has treated it as a variant of corporate social responsibility, a matter of aligning a firm's philanthropic or social investment activities with the goals' categories and reporting on that alignment. This framing understates what is actually at stake. The SDGs, understood properly, are not a reporting framework or a branding opportunity. They are, or at least they can be, strategic policy instruments: tools that states use to set long-range national priorities and that corporations can use to orient their own strategies in ways that create real value rather than symbolic alignment.

This paper makes a case for that stronger interpretation. It argues that the SDGs create conditions under which corporations and states can develop forms of collaboration that are genuinely strategic, in the sense that they shape investment decisions, regulatory frameworks, and competitive landscapes over long time horizons. It acknowledges that much current corporate SDG engagement falls well short of this standard, and it tries to identify what would need to change for the collaboration to become more substantive.

The argument is developed across several sections. The theoretical foundations draw on stakeholder theory, the shared value framework, and institutional theory to explain how corporate-state relationships around the SDGs can be understood. Subsequent sections examine what this looks like in practice across different sectors and geographies, identify the tensions and governance challenges that arise, and offer practical advisories for managers who are responsible for turning stated SDG commitments into organizational realities.

## **THEORETICAL FRAMEWORK**

Three theoretical perspectives help explain how and why corporations engage with the SDGs, and what distinguishes strategic engagement from performative compliance.

### **Stakeholder Theory**

Freeman's (1984) foundational account of stakeholder theory argued that corporations are not solely answerable to shareholders but to a broader set of actors whose interests are affected by corporate activity or who can affect the corporation's ability to pursue its objectives. This broader accountability logic creates a natural entry point for the SDGs, which represent codified expressions of the interests of a wide range of societal stakeholders, from the communities in which firms operate, to the natural environment on which all economic activity depends, to future generations whose welfare is affected by decisions made today.

The SDGs can be read, through a stakeholder lens, as a map of the societal expectations that corporations face. A firm that is attentive to its stakeholders will recognize that its long-term license to operate depends on addressing at least some of the issues the SDGs identify. This is not simply a moral argument. Freeman's framework is strategic in orientation: firms that manage stakeholder relationships well tend to outperform those that do not, because they build the trust, legitimacy, and collaborative relationships that are increasingly necessary for long-run value creation.

Donaldson and Preston (1995) strengthened this argument by distinguishing between the descriptive, instrumental, and normative dimensions of stakeholder theory. The instrumental dimension, which holds that attending to stakeholder interests produces better financial outcomes, is particularly relevant here. Firms that engage with the SDGs as a genuine stakeholder management strategy, rather than as a public relations exercise, are more likely to build the kinds of relationships that translate into competitive advantage.

### **Creating Shared Value**

Porter and Kramer (2011) introduced the concept of creating shared value, arguing that firms can generate economic value in ways that simultaneously address societal needs and challenges. Their framework distinguishes shared value creation from corporate social responsibility on the grounds that CSR typically treats social engagement as a cost or a constraint, while shared value treats it as a source of innovation and competitive differentiation.

The SDGs map reasonably well onto the shared value logic. Many of the goals identify market failures, infrastructure gaps, skills deficits, and environmental degradation that create economic costs and constrain the markets in which firms operate. A firm that addresses these constraints, by providing affordable energy access, developing low-cost health diagnostics, or investing in agricultural productivity, is not simply

doing social good. It is opening up new markets, reducing input costs, improving supply chain reliability, and building relationships with the governments and communities whose cooperation it needs to operate.

The shared value framework has not been without criticism. Crane, Palazzo, Spence, and Matten (2014) argued that it overstates the compatibility between corporate and social interests, ignores the political economy of how markets are structured, and does not adequately account for situations where genuine trade-offs exist between shareholder returns and social outcomes. These are legitimate concerns that a serious account of corporate-state SDG collaboration must engage with rather than sidestep.

### **Institutional Theory and Policy Instruments**

North (1990) argued that institutions, the formal rules and informal norms that govern human interaction, shape the incentives and constraints within which economic actors make decisions. The SDGs function as a particular kind of institutional artifact: they are not legally binding in themselves, but they structure the expectations of governments, investors, civil society, and the public in ways that have real consequences for how corporations are evaluated and regulated.

Sachs (2015) developed an account of the SDGs as a framework for integrated national development policy, arguing that they are most useful when they are treated not as a checklist of separate goals but as a systems map of interdependent development challenges. This systemic orientation matters for the corporate-state collaboration question because it suggests that the most productive forms of collaboration will address the connections between goals, rather than simply cherry-picking the goals that are easiest to align with existing corporate activities.

Mazzucato (2013) offered a perspective that is important for this paper's argument: the idea that states, when they function well, are not merely rule-setters and market correctors but active market-shapers and risk-takers. Her account of the entrepreneurial state challenges the assumption that innovation and long-range investment naturally flow from the private sector, while the state plays a supporting role. In the SDG context, her framework suggests that the most productive corporate-state collaborations will be those where the state actively sets the direction of investment and takes on the early-stage risks that private actors are unwilling to bear, while corporations bring the scale and operational capacity to deliver at the pace the goals require.

### **THE SDGS AS STRATEGIC POLICY INSTRUMENTS: A RECONCEPTUALIZATION**

The prevailing view in much corporate sustainability literature treats the SDGs as a taxonomy of social and environmental issues against which firms can map their existing activities. This mapping exercise has its uses: it helps firms identify material issues, communicate with investors, and benchmark their performance against peers. But it mistakes the map for the territory. The SDGs are not simply a categorization scheme. They represent a set of internationally negotiated political commitments about what the world should look like by 2030, and they have been accompanied by national-level implementation plans, investment strategies, and regulatory agendas that create real incentive structures for private actors.

Understanding the SDGs as strategic policy instruments means recognizing that they do several things simultaneously. At the international level, they create a shared normative framework within which states and corporations can be held accountable, not legally in most cases, but reputationally and commercially. At the national level, they provide the organizing logic for government investment programs, regulatory priorities, and procurement criteria that shape the business environment in which corporations operate. At the firm level, they can function as a strategic planning tool, helping leadership teams identify long-range market opportunities and risks that shorter-term financial planning processes tend to miss.

Van Zanten and van Tulder (2018) distinguished between reactive and proactive modes of corporate SDG engagement. Reactive engagement involves adapting existing activities to align with the goals after the fact. Proactive engagement involves using the goals to define and justify new strategic directions, often in collaboration with government actors. Their analysis found that proactive engagement is considerably less common, partly because it requires capabilities and relationships that many firms have not developed, and partly because the governance frameworks that would make such collaboration straightforward are often absent.

Bebbington and Unerman (2018) made the related point that meaningful corporate engagement with the SDGs requires accounting and measurement systems that can capture progress against goals that are inherently long-range and often difficult to quantify. Firms that commit to SDG alignment without investing in the measurement infrastructure to track that alignment are engaged in something closer to marketing than strategy. The instrumentation of SDG commitments, how they are measured, reported, and verified, is therefore a governance question, not merely a technical one.

## **CORPORATE-STATE COLLABORATION: STRUCTURES AND RATIONALES**

Corporate-state collaboration around the SDGs takes many forms. Some are explicitly structured as public-private partnerships with defined governance arrangements. Others are more informal, operating through industry associations, multi-stakeholder platforms, and bilateral relationships between specific firms and government agencies. Still others are shaped primarily through regulatory frameworks that create incentives for private investment in SDG-relevant areas without requiring formal partnership arrangements.

### **Public-Private Partnerships**

The public-private partnership (PPP) model has been the dominant institutional form through which large-scale corporate-state collaboration has been organized in infrastructure, health, and education sectors. Selsky and Parker (2005) reviewed the theoretical and practical dimensions of cross-sector partnerships and identified several conditions that tend to determine whether they produce genuine social value or replicate the power asymmetries that make the underlying problems hard to address. Partnerships work best, their review found, when each party brings something genuinely distinctive, when governance arrangements are transparent and accountable, and when there are mechanisms for surfacing and managing the conflicts of interest that will inevitably arise.

In the SDG context, PPPs have been used to finance infrastructure projects in low-income countries, to develop and distribute vaccines and medical technologies, and to expand access to financial services in underserved markets. The record is mixed. Well-designed PPPs in areas like rural electrification in sub-Saharan Africa and mobile-based financial inclusion in South and Southeast Asia have demonstrated that the model can produce genuine SDG outcomes at scale. Poorly designed PPPs, particularly in infrastructure, have sometimes produced financial returns for private partners while failing to deliver the public goods they were intended to provide, a risk that Mazzucato (2013) identified as one of the fundamental hazards of public-private collaboration when states do not maintain adequate governance capacity.

### **Regulatory Co-Design**

A less discussed but potentially more consequential form of corporate-state collaboration involves the co-design of regulatory frameworks. In sectors where the technical complexity of the relevant issues is high, governments frequently rely on industry expertise to develop the standards, measurement methodologies, and compliance mechanisms that translate broad policy goals into operational requirements. This is

particularly true in areas directly relevant to the SDGs, including sustainable finance, environmental reporting, supply chain due diligence, and digital infrastructure.

The risk in regulatory co-design is well documented. Fooks and Gilmore (2013) examined how corporate actors use their proximity to the regulatory process to shape rules in ways that protect their interests, sometimes at the expense of the public goods the regulation was intended to deliver. This pattern does not mean that regulatory co-design should be avoided. It means that it should be structured with explicit safeguards: independent technical review, civil society participation, and transparency requirements that allow the public to see how regulatory standards were developed and by whom.

When regulatory co-design works well, it produces standards that are technically credible, practically implementable, and genuinely aligned with policy goals. The development of greenhouse gas accounting standards under the GHG Protocol, which involved extensive collaboration between corporate actors, governments, and independent research institutions, is a reasonably good example of this kind of productive co-design, though it has not been without controversies around boundary-setting and double-counting that continue to be worked through.

### **Investment Alignment and Blended Finance**

A third form of corporate-state collaboration involves the alignment of public and private investment flows through blended finance mechanisms. Blended finance uses public or philanthropic capital to de-risk private investment in markets that would otherwise be unattractive to institutional investors: rural infrastructure, early-stage climate technology, health systems in low-income countries.

Sachs, Schmidt-Traub, Mazzucato, Messner, Nakicenovic, and Rockstrom (2019) identified investment alignment across six systemic transformations, including energy decarbonization, food and land use systems, and health and wellbeing, as among the most important levers for achieving the SDGs. Their analysis made clear that the investment gaps are too large for either public finance or private capital to close independently. The architecture through which the two sources of capital are combined, and the governance of that architecture, is therefore a strategic question for both states and corporations.

### **EVIDENCE FROM PRACTICE: SECTOR AND COUNTRY CASES**

The following cases illustrate the range of ways in which corporate-state collaboration around the SDGs has played out in practice, and what distinguishes the more productive from the less productive examples.

#### **Renewable Energy: The German Energiewende**

Germany's energy transition, known as the Energiewende, represents one of the most sustained and consequential examples of corporate-state collaboration oriented around what would now be recognized as SDG 7 (affordable and clean energy) and SDG 13 (climate action). The policy framework, which was substantially developed before the SDGs were adopted but which aligns closely with their objectives, combined renewable energy feed-in tariffs, grid investment mandates, and efficiency standards to create a structured set of incentives for private investment in renewable generation capacity.

The collaboration between German federal and state governments, established energy utilities, and new entrant renewable energy firms produced a significant expansion of wind and solar capacity over the first two decades of the policy. It also produced significant tensions. Incumbent utilities, whose business models were built around large centralized power stations, experienced the policy framework as a threat rather than an opportunity, and several large German energy companies suffered substantial financial losses as distributed renewable generation undercut the economics of their existing assets. This outcome illustrates a point that the shared value framework can understate: corporate-state collaboration around

the SDGs does not benefit all corporate actors equally. It tends to create winners and losers, and the losers will resist.

### **Mobile Financial Inclusion: Kenya and M-Pesa**

The development of mobile money services in Kenya, centered on Safaricom's M-Pesa platform, offers a case study in how corporate-state collaboration can produce SDG-relevant outcomes, specifically around SDG 1 (no poverty) and SDG 8 (decent work and economic growth), without being designed explicitly around the SDGs at all. The Central Bank of Kenya took an unusually permissive regulatory approach in the early stages of M-Pesa's development, allowing the service to operate under a light-touch framework that would be revised as the technology demonstrated its reliability and reach.

This regulatory flexibility, combined with Safaricom's commercial incentive to expand its customer base, produced a platform that reached millions of previously unbanked Kenyan households. The case is instructive for the corporate-state collaboration question because it demonstrates the importance of regulatory sequencing: the state's initial willingness to allow experimentation, combined with its subsequent ability to develop appropriate oversight as the market matured, created the conditions for private investment to produce genuinely public goods. A more restrictive initial regulatory posture would have prevented the innovation. A complete absence of regulation would have created systemic risks.

### **Supply Chain Sustainability: The Apparel Sector**

The global apparel sector's engagement with SDG-relevant supply chain issues, particularly SDG 8 (decent work) and SDG 12 (responsible consumption and production), illustrates the limits of corporate-state collaboration when the governance structures are inadequate. Following the Rana Plaza factory collapse in Bangladesh in 2013, which killed more than 1,100 garment workers, several large apparel brands entered into the Accord on Fire and Building Safety in Bangladesh, a legally binding agreement that committed them to funding building inspections and remediation across their supplier factories.

Kolk, van Tulder, and Westdijk (2006) had earlier argued, in their analysis of multinational corporations' poverty-related commitments, that corporate sustainability initiatives in supply chains tend to remain superficial unless they are backed by governance mechanisms with genuine enforcement capacity. The Accord's relative effectiveness compared to previous voluntary initiatives reflected the fact that it was, unusually, legally enforceable. This case illustrates a broader principle: corporate-state collaboration around the SDGs produces more durable outcomes when the state maintains enough governance capacity and political will to hold corporate actors to their commitments.

### **Health Innovation: The GAVI Alliance**

The GAVI Alliance (now Gavi, the Vaccine Alliance) was established in 2000 as a public-private partnership to increase access to vaccines in low-income countries. Its model, which pools funding from donor governments, multilateral institutions, the Gates Foundation, and vaccine manufacturers, has been widely studied as an example of blended finance used for SDG-relevant health outcomes, specifically SDG 3 (good health and well-being).

Austin, Stevenson, and Wei-Skillern (2006) argued that the conditions under which social-commercial partnerships produce value are more demanding than the standard partnership literature acknowledges. Resource complementarity, meaning that each partner brings something the other cannot easily replicate, is necessary but not sufficient. The partners must also share enough of a common theory of change to coordinate their actions without constant negotiation. Gavi's model addressed this by creating a single governance structure with representation from all major stakeholder groups, which reduced the coordination costs that have undermined many other multi-stakeholder health initiatives.

## **TENSIONS AND GOVERNANCE CHALLENGES**

Corporate-state collaboration around the SDGs is not a naturally harmonious process. The interests of corporate actors and state actors converge in some areas and diverge sharply in others, and managing these divergences requires governance mechanisms that current frameworks do not always provide.

### **The Legitimacy Problem**

Ruggie (2004) argued that the increasing involvement of corporate actors in global governance processes raises fundamental questions about democratic legitimacy. States derive their authority to make binding decisions from electoral mandates and constitutional arrangements. Corporations derive their authority from property rights and market power. When corporations participate in setting the standards, investment priorities, and reporting frameworks that shape how the SDGs are pursued, they are exercising a form of governance power that has not been democratically authorized.

This is not simply an abstract concern. Corporate actors have used their position in multi-stakeholder governance processes to shape outcomes in ways that serve their interests, sometimes at the expense of the communities and ecosystems the SDGs are intended to protect. Fooks and Gilmore (2013) documented how corporate philanthropy and political engagement have been used to influence health policy in ways that conflict with public health objectives. Similar dynamics can be observed in climate governance, where some large energy companies have simultaneously made public SDG commitments and funded lobbying efforts to weaken the regulatory frameworks that would give those commitments teeth.

### **The Measurement and Accountability Gap**

One of the most persistent governance challenges in corporate SDG engagement is the gap between stated commitments and verifiable outcomes. Bebbington and Unerman (2018) argued that meaningful accountability for SDG contributions requires accounting and reporting systems that current corporate disclosure frameworks are not equipped to provide. Most SDG-aligned corporate reporting describes inputs, the programs funded, the targets set, the resources committed, rather than outcomes: the measurable change in social or environmental conditions that can be attributed to corporate action.

This gap between inputs and outcomes matters because it creates space for what has been called SDG-washing: the practice of relabeling existing activities as SDG contributions without making any substantive change in corporate behavior or impact. States that are serious about corporate-state collaboration around the SDGs need to develop disclosure and verification standards that can distinguish genuine contributions from relabeled business-as-usual.

### **The Trade-Off Problem**

Porter and Kramer's (2011) shared value framework is premised on the idea that social and economic value creation are complementary. In many cases they are, but in many others they are not. A firm that reduces its carbon emissions by replacing a high-emission production process with a cleaner alternative may simultaneously reduce its cost base, as energy prices for renewables fall, and contribute to SDG 13. A firm that is asked to provide decent wages and working conditions to its entire supply chain may face genuine cost increases that affect its competitiveness in price-sensitive markets.

Matten and Moon (2008) argued that the relationship between corporate behavior and social outcomes is shaped by the institutional context in which firms operate, and that what looks like voluntary social responsibility in one context may be legally required in another. The implication for SDG collaboration is that states need to set the competitive floor, through minimum standards, disclosure requirements, and liability rules, rather than relying primarily on voluntary corporate commitments that create competitive disadvantages for the firms that honor them most fully.

## **DISCUSSION**

The cases and analysis above point to a set of conclusions about what corporate-state collaboration around the SDGs can and cannot be expected to achieve.

When it works well, this collaboration is characterized by specific features. States bring regulatory direction, public investment capacity, and democratic legitimacy. Corporations bring operational scale, technical capability, and the commercial incentive to sustain activities over time. The collaboration is governed by mechanisms that create genuine accountability on both sides, that make commitments verifiable rather than just declared, and that include the voices of the communities and stakeholders the SDGs are intended to serve.

When it falls short, the failure tends to take one of two forms. The first is corporate capture, where the engagement of powerful private actors in governance processes shifts outcomes away from the public goods the SDGs represent and toward arrangements that protect incumbent interests. The second is symbolic alignment, where both states and corporations adopt the language of SDG commitment without making the institutional or behavioral changes that would give those commitments real content.

The distinction between strategic and symbolic engagement is not always visible from the outside, which is part of what makes it difficult to address. A firm's SDG report may look identical whether it reflects genuine strategic reorientation or sophisticated communications management. The difference shows up in internal decision-making processes, capital allocation patterns, and the degree to which SDG considerations actually constrain or redirect corporate choices. These are things that external observers, including governments, investors, and civil society, can assess only imperfectly.

For managers who are responsible for implementing SDG commitments within their organizations, this distinction matters in a very direct way. A commitment made at the board level that is not translated into operational priorities, resource allocation, and performance management systems is not a real commitment. It is a statement of aspiration that will erode the trust of employees, partners, and external stakeholders as the gap between words and actions becomes visible.

## **ADVISORIES FOR MANAGERS**

The following advisories are directed at managers in corporate organizations who are working to translate SDG commitments from policy statements into operational realities. They draw on the theoretical analysis and case evidence developed above.

### **Advisory 1: Treat SDG Alignment as a Strategy Question, Not a Reporting Question**

The most common failure mode in corporate SDG engagement is treating the goals as a reporting framework rather than a strategic one. When SDG alignment is driven by the communications or sustainability team and disconnected from the strategy, finance, and operations functions, it tends to produce impressive-looking reports and limited organizational change. Managers who want to make SDG commitments real need to connect them to the firm's core decision-making processes: capital allocation, product development, supplier selection, and performance management.

In practical terms, this means asking, for any significant strategic decision, which SDGs are affected by this choice and how. It means including SDG-relevant criteria in investment evaluation frameworks rather than treating sustainability as a separate assessment. And it means ensuring that the executives who are accountable for financial performance are also accountable for SDG-relevant outcomes, rather than delegating that accountability entirely to a sustainability function that lacks the authority to influence strategic choices.

### **Advisory 2: Map the Government Agenda Before Designing Partnerships**

Corporate-state collaboration works best when it is aligned with the host government's actual development priorities rather than with the SDGs that happen to be easiest for the firm to address. Before designing an SDG-related partnership with a government agency, managers should invest time in understanding the government's national SDG implementation plan, its sector investment priorities, and the specific gaps in capability or financing that corporate participation could address.

This is not a complicated research task. Most governments that have adopted the SDGs have submitted Voluntary National Reviews to the UN High-Level Political Forum, which describe their implementation priorities and progress. These documents, combined with conversations with relevant government officials, can give a corporate partner a much clearer picture of where genuine collaboration is possible and where corporate involvement would be unwelcome, redundant, or counterproductive.

### **Advisory 3: Build Measurement Systems That Track Outcomes, Not Just Inputs**

Managers who are responsible for SDG-related programs should insist on measurement systems that track changes in the conditions the programs are intended to improve, not just the activities undertaken and the resources deployed. This is a more demanding standard than most current corporate sustainability reporting meets, but it is the standard that makes the difference between knowing whether something is working and merely knowing whether something is happening.

Developing outcome measurement systems requires collaboration with external experts, including academic researchers, development economists, and evaluation specialists, who can help design measurement frameworks that are both rigorous enough to be meaningful and practical enough to be sustained. It also requires honesty about the limits of what can be attributed to a single corporate program in the context of the complex social systems the SDGs address. Claiming credit for outcomes that reflect broader social trends is a form of mis-measurement that ultimately damages credibility.

### **Advisory 4: Manage the Trade-Off Problem Transparently**

Managers will encounter situations where pursuing SDG-related goals conflicts with short-term financial performance or competitive positioning. These trade-offs should be managed and communicated transparently rather than wished away. A manager who presents every SDG commitment as a win-win for the business and for society, regardless of the evidence, will quickly lose credibility with employees, government partners, and external stakeholders who can see the actual trade-offs involved.

Transparent trade-off management means acknowledging, in internal and external communications, which SDG contributions come at a genuine cost and explaining why the firm has decided to bear that cost. It means making the business case honestly, including the medium and long-term benefits that may not show up in the current reporting period. And it means engaging with regulators and industry associations to raise the floor for competitors, so that the firm's SDG commitments do not create a lasting competitive disadvantage relative to peers who have made less demanding commitments.

### **Advisory 5: Protect Against Symbolic Alignment**

Managers at all levels have a responsibility to push back when SDG commitments are being made at the organizational level without the operational substance to back them up. This is a delicate task, because the pressure to make public commitments often comes from senior leadership or the board, and pushing back against those commitments can feel like resisting the organization's strategic direction. The right framing is not to resist the commitment but to insist on the substance: to ask what specific operational changes are needed to deliver on the commitment, who is responsible for making them, what resources are available, and how progress will be measured.

This kind of constructive challenge is one of the most valuable things a manager can do when their organization is engaged in corporate-state SDG collaboration. Symbolic commitments that are eventually exposed as hollow are more damaging to the firm's reputation and its government relationships than no commitment at all. Managers who identify and correct this risk early are protecting the organization as much as they are serving its SDG partners.

#### **Advisory 6: Attend to the Political Economy of Collaboration**

Corporate-state collaboration around the SDGs takes place in a political economy, not a policy vacuum. Government priorities shift with elections. Regulatory frameworks are contested by competing interests. Development programs are subject to funding cycles that may not align with the long time horizons the SDGs require. Managers who are responsible for corporate partnerships with government agencies need to understand these political dynamics and build the flexibility to adapt their partnerships as circumstances change.

This means developing relationships with a broad range of government stakeholders rather than relying on a single political champion whose influence may not survive a change in government. It means structuring partnerships with clear exit provisions that allow them to be wound down or restructured without causing lasting damage to the relationship. And it means maintaining communication with civil society organizations and affected communities who can provide an independent perspective on how the partnership is performing and what risks it faces.

#### **PRACTICAL IMPLEMENTATION OF THE ADVISORIES**

Each advisory above has a set of concrete implementation steps that managers can take within their organizations. The following section translates the advisories into specific practices.

##### **Embedding SDG Alignment in Core Strategy Processes**

Managers should work with strategy and finance teams to develop a materiality assessment that identifies the SDGs most directly relevant to the firm's business model, value chain, and competitive environment. This assessment should be reviewed annually and should inform capital allocation and portfolio decisions rather than sitting separately as a sustainability document. SDG-relevant metrics should be incorporated into the balanced scorecard or equivalent performance management framework, and at least one executive committee member should have explicit accountability for SDG performance alongside their financial responsibilities.

##### **Government Engagement Preparation**

Before entering any formal corporate-state collaboration, managers should conduct a structured government landscape analysis. This involves reading the relevant country's Voluntary National Review and national SDG implementation plans, mapping the government agencies with responsibility for the SDGs most relevant to the proposed partnership, and identifying two or three specific gaps in government capacity or financing that the firm is genuinely positioned to address. This analysis should be the basis for the firm's initial approach to the government partner rather than a generic SDG alignment pitch.

##### **Designing Outcome Measurement Systems**

Managers responsible for SDG programs should commission an outcome measurement design process at the start of any major initiative rather than adding measurement as an afterthought. The process should define the theory of change for the program, the specific outcomes it intends to produce, the indicators that will be used to track those outcomes, the baseline against which progress will be measured, and the data collection methods that will be used. This design should be reviewed by an independent expert before the

program is implemented and should be revisited if the program's design changes significantly during implementation.

### **Trade-Off Communication Protocols**

Organizations should develop internal protocols for how trade-offs between SDG objectives and financial performance are identified, assessed, and communicated. These protocols should specify who has the authority to approve decisions that involve a genuine cost to SDG performance for commercial reasons, and vice versa. They should require that any such decision be documented with a clear explanation of the reasoning, so that there is a record of how trade-offs were managed that can inform future decisions and be reviewed if the firm's SDG commitments are challenged by external parties.

### **SDG Commitment Integrity Reviews**

Organizations that make public SDG commitments should conduct annual integrity reviews that compare stated commitments against actual operational changes. These reviews should be conducted by a cross-functional team that includes finance, operations, and legal alongside sustainability, and should produce a candid internal assessment of where commitments are on track, where they are lagging, and what specific actions are needed to close gaps. The findings of the review should be reported to the board as a governance matter rather than to the communications function as a reporting matter.

### **Partnership Resilience Planning**

For each significant corporate-state partnership, managers should develop a political risk assessment that identifies the scenarios most likely to disrupt the partnership: change of government, budget cuts, regulatory reversal, or shift in the partner agency's leadership. For each scenario, the assessment should identify early warning signs and contingency responses. Partnership agreements should include provisions for structured review and renegotiation at defined intervals, rather than assuming that the initial terms will remain appropriate over the full lifespan of the collaboration.

## **CONCLUSION**

The SDGs were adopted as a framework for state action, but they have become something more complicated and more interesting: a terrain on which corporations and states are being asked to rethink their relationship and develop new forms of collaboration that neither party has fully worked out. This paper has argued that the most productive way to understand the SDGs in this context is as strategic policy instruments rather than reporting categories or marketing opportunities.

That reframing has real consequences. It means that corporate engagement with the SDGs should be evaluated not by the elegance of a firm's SDG mapping or the thoroughness of its sustainability report, but by the degree to which its stated commitments have actually changed its strategic choices, resource allocation, and operational behavior. It means that corporate-state collaboration should be structured to serve the public goods the SDGs represent, rather than the reputational interests of the participating organizations. And it means that the governance mechanisms through which that collaboration is organized, the accountability structures, measurement systems, and conflict of interest safeguards, deserve as much attention as the substance of what is being collaborated on.

The practical advisories and implementation steps developed in this paper are grounded in these principles. They ask managers to treat SDG alignment as a genuine strategy question, to understand the government agenda before designing partnerships, to measure outcomes rather than inputs, to manage trade-offs transparently, and to challenge symbolic commitments that lack operational substance. None of this is beyond the reach of competent management. What it requires is the same thing that good

management always requires: clear thinking, honest communication, and a willingness to hold organizational behavior to the standard of the organization's stated values.

The SDGs will not be achieved by 2030. The evidence accumulated over the first decade of the agenda makes this clear. But the framework they have created, the shared language, the measurement infrastructure, the accountability norms, and the collaborative arrangements they have catalyzed, will outlast the 2030 deadline. Organizations that have learned to engage with them seriously will be better positioned to contribute to whatever framework comes next, and to build the government and community relationships that are increasingly necessary for long-run corporate viability.

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