A word from the Dean

Lund University School of Economics and Management (LUSEM) is part of Lund University, the largest university in Sweden, situated in the beautiful medieval town of Lund. LUSEM benefits daily from being part of a comprehensive university with eight faculties spanning from Engineering to Fine and Performing Arts, from Medicine to Economics and Management. The University also harbors the full contrast between the traditional ceremonies in the medieval buildings in the city center, to the monumental research infrastructures forming a new part of the city on the northeastern outskirts.

With this backdrop, LUSEM’s mission is centered around its commitment to “preparing students to contribute to resolving global challenges through relevant, research-based and business-integrated education”. This is the point of departure for our ambitions to conduct responsible management education, and to be a driving force in proliferating ethics, responsibility and sustainability in all activities.

The School is a diverse educational institution, with three bachelor programs – one of which is fully international – and a powerful portfolio of 14 international master programs. We also run a large PhD program. As a consequence, the core commitment of the School is that all our students are to encounter questions dealing with ethics, responsibility and sustainability recurrently during their time at the School.

In addition, issues dealing with sustainability and responsibility pervade the School’s activities in research and external engagement too. The reader of this report will find a wide range of examples of research activities, and a rich set of engagement activities, that go naturally hand in hand with responsible management education.

The Swedish and the Scandinavian context also provide fertile ground for LUSEM’s work, building on the country’s long-lasting tradition of upholding high standards in these areas, as well as its current role as a country uniquely committed to a sustainable transition. The work towards the UN Sustainable Development Goals and Agenda 2030 falls squarely within this tradition, and it is for us to prove that we can contribute, as we argue in the report.

It is thus my pleasure to introduce this report on our work on ethics, responsibility and sustainability. I hope it will entice your curiosity and that some of you out there will be interested in working together on the endeavor of responsible management education.

FREDRIK ANDERSSON
Dean of LUSEM

LUSEM strives at making a difference by engaging in the rapidly evolving issues on ethics, responsibility and sustainability through education, research and collaboration with business and the public sector.

Everyday life at LUSEM shall also reflect the School’s ambitions in creating a sustainable world.

– STRATEGY FOR ETHICS, RESPONSIBILITY AND SUSTAINABILITY
PRINCIPLE 1: PURPOSE

A NEW STRATEGY FOR ETHICS, RESPONSIBILITY AND SUSTAINABILITY

The mission of Lund University School of Economics and Management (LUSEM) is stated as follows:

Our school is a driving force in society by:
• preparing students to contribute to resolving global challenges through relevant, research-based and business-integrated education,
• advancing knowledge through distinguished research and teaching based on our international outlook and Scandinavian roots,
• taking an active part in developing a sustainable society based on innovative thinking,
• expanding our intellectual footprint in close contacts in the business community and the public sector: all set in the academic tradition and diversity within Lund University.

Based on our mission, the sub-strategy for ethics, responsibility and sustainability is:

LUSEM strives at making a difference by engaging in the rapidly evolving issues on ethics, responsibility and sustainability through education, research and collaboration with business and the public sector. Everyday life at LUSEM shall also reflect the School’s ambitions in creating a sustainable world.

The basis for LUSEM’s work on ethics, responsibility and sustainability springs from our mission and the core values shared with Lund University, and the commitment to sustainability is inherent in the School’s vision:

Making a difference by being a world-class business school that works to understand, explain, and improve our world and the human condition.

As a research-driven business school, LUSEM’s approach to engaging students in confronting, integrating and reflecting on issues related to ethics, responsibility and sustainability is anchored in academic work in fields such as corporate social responsibility, social innovation, social entrepreneurship, sustainable finance and behavioural economics. Being introduced to these issues early on is an important impetus for students to naturally adopt a responsible mind-set in their future roles as decision makers and experts. At LUSEM, we strive to integrate these issues in teaching on all levels from the introductory level to the PhD level. The huge enthusiasm and interest that our students show for issues related to ethics, responsibility and sustainability are important to build upon in LUSEM’s endeavour to educate high-skilled change agents who will contribute to sustainable development and responsible business practices.

In the debate on business ethics, responsibility and sustainability, the importance of “walking the talk” is often discussed. At LUSEM we are strongly committed to conducting everyday activities in accordance with the standards that the School is founded upon and on the principles that our students are taught. This is an ongoing process and we are committed to continuous progress. In this process, we benefit greatly from our engagement with other business and management schools, nationally and internationally. We also have guides that support our commitment to safeguarding ethical, responsible and sustainable activities. For example, Guide to discrimination, harassment and victimisation for students at the School of Economics and Management and Policy for Business Travel at Lund University.

LUSEM’s commitment to responsible behaviour is reflected not the least in our membership in PRME. We are intent on taking on an increasingly active role in the Nordic Chapter of PRME over the coming years.
LUSEM is a large education institution. About 55 percent of the budget is spent on teaching, and almost 3 600 student FTE's annually receive their training at the School. The majority of students, moreover, are enrolled at the BSc level. This implies that the primary road for expanding the School’s footprint when it comes to ethics, responsibility and sustainability goes through our students.

**INTRODUCTORY STUDIES**

As mentioned above, a vast majority of the students at LUSEM enter the BSc in business and economics programme as freshmen. In order to ensure that all students, regardless of future specialization, receive a solid education in ethics, responsibility and sustainability, LUSEM has introduced a mandatory 6-credits module in business ethics *The corporation and its role in society* (“Företagets roll i samhället”) at the end of the first semester. This module ensures that all students receive a good understanding of fundamental concepts such as corporate social responsibility, sustainability, stakeholders, triple bottom line, various manifestations of ethics, as well as an understanding of how companies have evolved over the centuries and how their role in society has changed. The basic idea is hence to provide the students with a solid and shared frame of reference as a starting point early in their studies.
and outcomes constitute a natural part. Also, green national accounts are included and the issue of sustainability in relation to long-run growth is part of a home assignment. In the third part of the course (Financial Economics), time is dedicated to ethics in asset management, sometimes in the form of an invited guest lecture. Different ethical aspects on the financial sector are some of the topics for the home assignment. In the fourth part of the course (International Economics), normative and ethical issues occur naturally, e.g. considerations about fairness consequences of trade and globalization.

All students in the newly launched BSc in International Business take modules on sustainability and ethics. Sustainability is also embedded in the new BSc in Economy and Society that will be launched in 2019.

The fact that ethics, responsibility and sustainability is discussed in introductory business and economics courses guarantees that all students graduating from the BSc programme in business and economics from LUSEM will have acquired knowledge on the basics in these areas and also been trained in incorporating, reflecting and discussing these vital aspects from various perspectives.

CONTINUING AND ADVANCED STUDIES

In continuing and advanced studies, all students work extensively on questions relating to sustainability, ethics and responsibility, predominantly as integrated parts of the curriculum. This result is both due to the fact that faculty members naturally deal with these topics in their courses, and the interest that students have in raising such questions. Thus, today almost all courses cover some aspect of these issues, but LUSEM also offers both mandatory and elective courses, which have ethics, responsibility and/or sustainability as main themes.

To exemplify, all students specialising in business administration are required to take a 6-credit intermediate-level course; Research methods and integration in business administration. Students are trained in basic statistical analysis and interview techniques and interpretation. When doing so students are focused on economic, social and environmental sustainability. The design of the course revolves around student-driven research questions based in their own interest and concerns about pressing sustainability issues, as consumers as well as future employees and decision makers. Another example is the bachelor course in marketing. In order to en-
hance the students’ awareness of these aspects further the course will strengthen its CSR focus starting autumn 2018, and build on the knowledge acquired on the lower levels in marketing. Topics to be explored relate to how organisations could or should work with ethics and CSR from a marketing perspective.

In continuing studies, LUSEM also offers an “Honours Track” for a select group of students. One of the main themes in this track has been Sustainable Business, where students have a chance to discuss more deeply how issues of CSR, ethics and sustainability are intertwined. The readings and the discussions then go on to exploring the history of stakeholder views for corporations, the greenwashing criticism of work towards responsibility and sustainability, and the integration of sustainability in organizational routines and processes.

At the advanced level of study in marketing, the course Sustainability and Marketing Ethics aims to increase knowledge, problematize and provide theoretical as well as practical tools for critically analysing sustainability and marketing ethics issues. In strategic management, ethics, responsibility and sustainability are discussed throughout from different perspectives. Although not mandatory, most students attending this programme take the course Global Business and Sustainability. In this course, students learn to judge and handle complex issues and situations for business in a global environment – including business responsibility and ethical dilemmas. In management control, corporate social responsibility is discussed as Triple bottom line – Profit, Planet, People (3P); the responsibilities for managers have been expanded over the years; profit is no longer enough to control a business or a business unit and management control systems must be able to handle 3P and other non-financial data. Case material from Ikea and Volvo about their codes of conduct, called I-way and Volvo-way, is used extensively. In corporate governance, different ethical dilemmas are discussed to address the ultimate question why corporate social responsibility is important from a Board/Top Management perspective. The question if there is a trade-off between corporate social responsibility and profit maximization is also discussed.

Also, the course Corporate Social Responsibility, available at the advanced level in business administration, examines the complex relationship between business and society, with a special focus on the social responsibilities of corporations and the strategies they use in managing their relationships. Students work with a variety of theoretical perspectives and real-life case studies (e.g. McDonald’s). The course addresses questions such as ‘What is the purpose of business?’, ‘Is it possible to distinguish real CSR from CSR as mere image-building?’, ‘Is CSR good for business?’, ‘How can CSR be managed in practice?’, and ‘What is the responsibility of the consumer?’. The course provides the students with plenty of time to discuss and reflect on these and other relevant issues.

In accounting, ethics, responsibility and sustainability are discussed related to several issues like accounting standard setting, accounting reporting, and assurance. Often students are invited at relevant events at LUSEM that further strengthen them in these areas. For example, some master students were invited to participate at the first SUBREA conference hosted at LUSEM (see Principle 5 & 6) to discuss these issues with senior researchers, politicians and top management teams.

In the accounting courses, the risk of misusing accounting (called earnings management) is also highlighted. This is important, not least since accounting practices often have been questioned in recent financial scandals. In Information Environment a block is included that highlights CSR, sustainability and trust from a legitimacy and stakeholder perspective. In Frontiers in Accounting one of the course themes is focused on sustainability accounting and reporting. The development phases beyond the Brundtland Report 1987 are in focus and the discussions are centred on the challenges with developing sustainability accounting practices into value-relevant, credible and comparable information related to an organisation’s sustainability performance. This is relevant not the least with the EU Directive (2014/95/EU) now in force.

The Master’s programme in Entrepreneurship collaborates with the Master’s programme from The International Institute for Industrial Environmental Economics at the University, IIIEE, since 2007. Students from both programmes work together to make business ideas environmentally sustainable. The entrepreneurship programme also offers a course in Social innovation – a strategy for sustainability. In this course it is discussed that technical innovations alone have proven to be insufficient to address the pressing challenges of today such as climate change, resource depletion, economic deprivation, poverty alleviation, increased migration and improved life quality. Therefore, non-technical innovations are also required to enable transitions to more sustainable solutions. At this course the students are taught that social innovations include new solutions (products, services, models, markets, processes etc.) that simultaneously meet a social need (sometimes even more efficiently and effectively than existing solutions) and lead to new or improved capabilities, assets and/or relationships.

Students from the Master’s programme in Entrepreneurship also perform an assignment together with the Hunger Project. The assignment’s objective is to create socially responsible entrepreneurs.

Although few courses with their main focus on ethics and sustainability are offered in economics, these aspects are integrated into almost all economics courses. Students are required to learn to understand, reflect and solve sustainability problems within the all three sustainability dimensions – social, economic and environmental. For example, in the course Economic Growth, consequences of long term economic growth – including the impact of growth on the environment – are explored. The course also explores the links between equality and growth. Development Economics focuses on poor countries’ challenges and possibilities for development. Advanced Labour Economics and Advanced Health Economics deal with the role of gender in labour-market and health outcomes. Students also learn to learn to analyse the role of gender and ethnicity on economic outcomes.

One of the MSc programmes in economic history has been overhauled to incorporate sustainability whole-heart-
edly. The new programme, *MSc in Innovation and Global Sustainable Development*, resulted in 726 applicants for 20 study seats.

Lund University accredits the Master programme in *International Trade Policy and Trade Law* given by the Trade Policy Centre in Africa (Trapca) in Arusha, Tanzania, and LUSEM issues the certificates for the MSc degree. (See also Principle 5 & 6.) Faculty at the economics department at LUSEM play a significant role in coordinating, teaching and supervising in the joint Trapca/LUSEM MSc Programme. This experience benefits teaching at LUSEM. The Lund University partnership with Trapca and the Eastern and Southern African Management Institute (ESAMI) is highlighted by the *Government inquiry on increased internationalization of higher education institutions* as an example of Swedish education abroad.

The education in information systems also places a strong emphasis on ethics, responsibility and sustainability. The master programme has a course, *IT, innovation, and sustainability*, with the aim that students should achieve a profound understanding of the relationship between Information Technology (IT), innovation, and sustainability. The students acquire theoretical knowledge in each of the areas, with specific relation to Information Systems research. On completing the course, students have the tools and skills for designing, planning and evaluating artefacts and guidelines of Green IT. Students are introduced to a wide range of empirical examples and real-world cases focusing on sustainability and IT.

Faculty from the business law department are engaged in several aspects of development of the teaching portfolio with regards to ethics, responsibility and sustainability. These courses are either mandatory or may be included in degrees at LUSEM, and most of the teachers at the department are involved. Teachers in labour law are constantly focusing the ethical balance between workers vs. management, and minority vs. majority and similar issues. Socially sustainable management, which includes the acceptance of trade unions and workers’ representation in a global and competitive market economy, forms a solid base for this particular field of business law. The teachers in tax law deal with tax avoidance and ethical taxation in relation to tax havens and the implementation of transparent taxation as a part of fair business (not least within the EU). Courses on company and contract law, as well as law and auditing, reflect the importance of ethical standards in the corporate sector and monitor the board level responsibility established in relation to conflict of interest and corruption. Three teachers at the business law department are engaged in multi-faculty programmes involving environmental law, which also pinpoint sustainability from an environmental law perspective.

The degree project is an important part of the studies for
all students completing a bachelor’s or a master’s degree. The fact that a large and increasing number of these projects relate to the areas of ethics, responsibility and sustainability attests to the impact of teaching in these areas as well as to the students’ genuine interest in these topics. A review of the degree projects reveals the many aspects covered by the students. The following is a sample of projects completed in 2017 and 2018:

- The effect of gender equality in education on economic growth
- Gender composition on the board of directors and firm performance
- Good governance and the millennium development goals, the case of water and sanitation
- Is trade bad for the environment? Decomposing the impact of trade on environmental quality
- Internal CSR support: From bystanders to ambassadors. A cluster analysis of employees in the retail industry
- From core to store: A qualitative study of how retailers translate and communicate sustainability from corporate level to physical store
- The complexity of consumer trust in sustainability communication
- The mse of sustainable business models in emerging Markets: How is it Influenced by macroeconomic trends? A case study of the Indian dairy industry
- Challenges of transforming a business model to a sustainable business model - a case study based on IKEA and Tetra Pak

As emphasised above, a strong commitment at LUSEM is that ethics, responsibility and sustainability will be taught at all educational levels. Thus, our PhD students too are offered courses related to these areas. The interest is huge. The PhD course Corporate Social Responsibility attracts not only PhD students from LUSEM but also from other national and international universities. This PhD course aims to give an advanced introduction to the theoretical frameworks, research interests, methodologies and discussions in the research field related to CSR and sustainability. While the ambitious reading list for the five seminars starts with Levitt (1958), Friedman (1970) and Andrews (1973) it ends with the recent works being published in these areas.

EDUCATION AND DEVELOPMENT INITIATIVES FOR FACULTY MEMBERS

From the above, it is evident that LUSEM faculty members are dedicated to continuously engaging in developing the teaching portfolio as regards ethics, responsibility and sustainability. This engagement has not only manifested itself in several new courses focused on these areas but also in the introduction of newly developed modules and themes into already existing courses and programmes.

Although our faculty members are truly engaged in contributing to developing the teaching portfolio, the management at LUSEM acknowledges the importance of providing both education and development initiatives for faculty members. For example, seed-money has been directed to applications related to both research (see more on LUSEM Sustainability Research Network under Principle 4) and educational projects in the areas ethics, responsibility and
sustainability. Furthermore, the School has directed resources towards sustainability in the sense that two associate senior lecturers with a focus on sustainability have been recruited. At the moment, LUSEM’s management is in the process of reviewing new educational initiatives that faculty members will be offered in the areas of ethics, responsibility and sustainability.

LUSEM faculty members are encouraged to cooperate internationally and with other parts of Lund University in these areas. There are many examples of such cooperation e.g. with the IIIEE mentioned above, the Faculty of Engineering, Copenhagen Business School, and Gothenburg University. One example is the educational and research cooperation between the labour law researchers at LUSEM and the Raoul Wallenberg Institute for Human Rights and Humanitarian Law in Lund. The cooperation has led to one of the researchers spending one year as visiting professor in Phnom Penh, Cambodia, teaching labour and human rights law to Cambodian students; it has also led to research schools for young academics in Southeast Asia (Vietnam, Myanmar, Indonesia, Laos, China, Cambodia, India), mentorship for southeast Asian doctoral students, and an externally funded doctoral position at LUSEM.

FUTURE DEVELOPMENT
Many complex societal challenges face the leaders of tomorrow. At LUSEM we are committed to ensuring that our students have the appropriate mind-set, skills and competences needed to act as change agents contributing to responsible management and the pursuit of Agenda 2030. It is our ambition that students graduating from LUSEM shall be able to both critically reflect on questions relating to ethics, responsibility and sustainability and to be able to address these societal challenges. We therefore continuously review and update our educational offering to ensure that all dimensions of ethics, responsibility and sustainability are covered by our courses.

In order to achieve LUSEM’s high ambitions when it comes to a teaching portfolio that incorporates issues on ethics, responsibility and sustainability, we need to engage in various partnerships and collaboration activities with external stakeholders to discuss and learn more about best practices. A strong commitment at LUSEM is to strengthen these engagement activities further in the years to come (see also Principle 5 & 6). At the School level, this is manifest in regular discussions with the Faculty Board (two out of four meetings annually are devoted to these areas) and with LUSEM’s Advisory Boards; it is also regularly brought up in broad faculty meetings (open strategy seminars). In many respects, the students are our most important stakeholders. This is recognized in many ways e.g. with the students having representation in all boards at LUSEM. We are proud to have a very good relationship and open dialogue with the student union, LundaEkonomerna. A Sustainability Coordinator has been engaged to promote the issues broadly, and to assist in the development of strategies and activities.
PRINCIPLE 4: RESEARCH

A PORTFOLIO FOR RESPONSIBILITY

LUSEM is a research-driven business school and we have a long history of research projects on social, economic, financial and environmental sustainability, as well as ethics, and corporate social responsibility. The School’s commitment to these issues is also clearly reflected in its priority setting, where sustainable development has received more emphasis in recent years.

In the autumn of 2017, LUSEM’s management team granted seed money to the project LUSEM Sustainability Research Network (LSRN), aiming to enable communication, collaboration and dissemination of research findings related to ethics, responsibility and sustainability.

The purpose of LSRN is five-fold:

- Synthesize the ethics, responsibility and sustainability research field and survey in which areas LUSEM’s faculty conduct research in order to initiate the sustainability research network.
- Initiate interdisciplinary research projects in the ERS areas among LUSEM’s faculty (as well as such projects more broadly).
- Initiate interdisciplinary research grant applications.
- Outreach to researchers and society at large by arranging seminars and conferences, and by initiating an international scholarly book series.
- Increase the knowledge among LUSEM’s faculty on different perspectives on sustainability relevant for inclusion in LUSEM’s courses and programmes.

Recently, Lund University has decided to establish a joint research school on the theme of Agenda 2030. Each faculty at the University will recruit doctoral candidates to be enrolled in the research school, with the purpose of promoting interdisciplinary interaction and pursuing Agenda 2030. The research school will be tied to Lund University Sustainability Forum where all faculties are represented. This forum is vital for interaction, knowledge sharing and constructive discussions between those responsible for sustainability issues around Lund University.

In the following, we will provide a number of examples of ongoing research projects. Obviously, this is by no means an exhaustive account; most research at the School does, one way or another, touch on issues of ethics, responsibility and sustainability.

K2 National Knowledge Centre

The K2 National Knowledge Centre for attractive Public Transport is a consortium of Lund University, Malmö University and The Swedish National Road and Transport Research Institute (VTI). It is funded by the regions of Skåne, Stockholm and Västra Götaland together with the Swedish Transport Administration (Trafikverket), the Research Funding body Formas, the Swedish Governmental Agency for Innovation Systems (Vinnova), and the three partner institutions. It started in January 2013 with a mission to conduct world-class research through co-production and knowledge building to design the future of attractive public transport. It has a board with members from the broadly defined public transport sector, and is based in Lund, but with activities across the three main urban regions of the country.

The K2 vision is that in 2030, Sweden is a European model for public transport as a means of developing sustainable and attractive metropolitan areas. Public transport is the main system of passenger travel in metropolitan areas, with resource-efficient access to everyday destinations, at the same time delivering better health and better quality of life.

LUSEM’s strong positioning on Public Management research in close collaboration with the surrounding society makes it possible to make a substantial contribution.

At the moment, LUSEM’s researchers affiliated with K2 are involved in two major projects. The first one is investigating how the marketization of public transport in Sweden – e.g. public tendering and market-opening – impacts the possibilities of achieving the desired objectives in the transport sector, including environmental and climate objectives.
The second project investigates consumer preferences and seeks to determine if, and to what extent, current and potential riders are affected by communication and marketing in choosing their mode of transport.

**GIST (Green Industrial Transitions) 2050**

Near-zero emissions is a liberating thought and a challenging proposition. It means that the “forgotten” industrial sector, especially the energy intensive industries, will also make a low-carbon transition. The good news is that this transition is both technically and economically possible. Energy and materials efficiency combined can reduce emissions significantly.

For reaching near zero emissions, major changes in process technologies, energy carriers and feedstock sourcing are needed, including electrification based on renewable sources of energy. Examples include hydrogen as an alternative to coal and coke in the steel industry, or renewable power-to-ethylene that can be a drop-in feedstock for plastics. GIST2050 will make scientific contributions on theory and method for studying the transition of basic material industries, implications for co-evolution with the energy system, and provide a knowledge basis for the development of future governance and policy strategies. The project joins researchers from several different departments across Lund University such as economics, political science, environmental and energy systems studies and the Centre for innovation, research and competence in the learning economy.

**REINVENT**

REINVENT is a Horizon 2020 research project focused on meat/dairy, paper, plastic and steel – four industrial sectors that are economically important, but where low-carbon transitions are still relatively unexplored. The project includes researchers from LUSEM, the Faculty of Engineering, Durham University, University of Utrecht and University of Wuppertal. The approach is to study and understand transitions and emerging initiatives from within-sectoral contexts, where government climate policy is only one of many factors that shape perceptions and strategies.

The transition to a zero-carbon society requires more than new technical solutions. REINVENT will study the entire value-chains of the industries to gain a broader understanding of the possibilities of transition. This includes non-technical factors such as supply chains, financing, trade, and social and economic impact. These perspectives are necessary for supporting the innovations and system-wide transformations that decarbonisation requires. As an interdisciplinary research project REINVENT strives to create a platform for dialogue and learning so that future climate policies can be better adjusted to the conditions within the different sectors.

**Technology-adjusted carbon footprints**

Technology-adjusted carbon footprints is a new method to measure a country’s carbon dioxide emissions. The relationship between trade and emissions has been discussed by academics and politicians for a long time. How to measure the impact of trade on emissions is far from clear. Two faculty members have together with researchers in Norway and Australia developed a new method to account for the effect of trade on a country’s overall emission levels, published initially in *Nature Climate Change* 2015, and with follow-up papers in the following years in the same journal and in *Global Environmental Change*. The new method allocates responsibility for emissions based on the principle that a country’s emission levels should be based on factors they themselves can affect, such as the composition of consumption, as well as their own country’s energy system and production technologies. The new measure satisfies these criteria. The approach has been
considered theoretically sound and has been used when the UN office in Nice (2017) published spill-over effects from trade on carbon emissions. The project has received two grants from the Swedish Energy Council.

Globalization, institutions and social attitudes
This is a joint collaboration research project between researchers at LUSEM and at the Research Institute of Industrial Economics. The project is funded by the Swedish Research Council and the Söderberg foundation. The project has three overarching purposes. The first is to investigate how globalization affects growth-related social attitudes like trust, tolerance and religion. The second purpose is to look at how formal institutions, i.e., laws and rules, affect important economic outcomes, such as economic growth, entrepreneurship, innovations, the size of government, and corruption. It is also studied how globalization affects the emergence of institutions of this kind. The third purpose is to carry out new research concerning how social and cultural factors, like trust, tolerance and religion, affect economic outcomes like entrepreneurship and growth. Results show that globalization tends to increase parents willingness to teach their children to be tolerant to people different from themselves, that market institutions bring tolerance, especially where trust is high, and that globalization and democracy are beneficial for the quality of life of gay men.

Debt (and economic scarcity) and health
This is a research project that is funded by Handelsbanken and aims to generate knowledge on the dual relationship between debt (and economic scarcity) and individual-level health. It is often stated that debt is bad for people’s health, but few studies have actually managed to control for e.g. previous health and debt, implying that results likely are biased. Also all existing studies rely on self-reported health measures. In this project we use Swedish longitudinal survey and register data on medical prescriptions to analyze the relationship. Results suggest that there is not a very strong relationship between scarcity and individual health when taking lagged information into account – specifically there is no association between the two variables when using objective register data on health outcomes.

Social innovation for sustainable development (2016-2018)
The aim of this project is to create a multidisciplinary platform for the discussion of the role of universities in social innovations, particularly related to sustainability. Three researchers from LUSEM are participating in this project. In 2016 four workshops with academics, policy makers and industry were organized to discuss different dimensions of social innovation for sustainability: universities and social innovation, public procurement and social innovation, community base social innovation and replicability, scaling up and scaling down of social innovation experiences. In 2017-2018 a research and
It’s about time! Gender, parenthood and changing time use patterns.

Parenthood is often considered a major cause behind gender differences in time allocation, especially concerning paid work and housework. A popular belief is that men and women are quite equal in how they spend their time until they have children; then they fall into gendered time use patterns. Unequal distributions of paid and unpaid work between men and women translate into unequal earnings and power relationships between sexes, in aggregate and within households, serving to preserve gender norms. They also affect gender-specific experiences of stress. Thus, it is important to understand to what extent these patterns exist and what their roots are in order to achieve more gender equality in society.

Ongoing research at the Centre for Economic Demography (CED), funded by Forte, examine to what extent gender and parenthood affect different kinds of time uses and stress by taking a number of explanatory factors into account. We study patterns of change in the recent past in Sweden and elsewhere by making cross-country comparisons in collaboration with researchers in France and the US. By investigating parenthood and how it relates to divergent time use outcomes, we seek to provide a multidimensional explanation to persistent gender differences and explain change over time. By contrasting different national contexts over time, we aim to capture trends and variation relating to institutional settings that may affect how gender and parenthood manifest themselves in time use patterns. We seek to explain why the Scandinavian patterns does not emerge equally across Europe and North America. Recently, maternal stress has become a public health concern. One of the explanations to why mothers more than fathers get stress-related diagnoses is the unequal division of labour at home. We investigate mothers’ and fathers’ time allocation and its association with everyday stress in Sweden.

The EU Directive (2014/95/EU) on sustainability reporting

The EU Directive (2014/95/EU) on sustainability disclosure is now in force. This EU Directive is transposed into Swedish law and will introduce measures to strengthen the transparency and accountability regarding companies’ sustainability performance. The EU has adopted this Directive because transparency engenders confidence among investors, consumers and other stakeholders, and investors can better assess the opportunities and risks of their future investments. The objective of this program is to provide a longitudinal analysis on the effects of the EU Directive (2014/95/EU) both on Swedish companies’ sustainability disclosures and on how the sustainability-related topics highlighted in the Directive are manifested in organisational routines and processes. Considering the fact that the Directive explicitly requires the companies to describe their sustainability matters related to four areas, business model, outcomes, risks, and governance, these areas will also be in focus when the manifestation in organisational routines and processes are being analysed.

Entrepreneurial research related to ethics, responsibility and sustainability

At the Sten K. Johnson Centre for Entrepreneurship the research group Organizing for innovation and resilience in the private-public interface works with different projects to increase the understanding and knowledge related to resilience. A main issue related to the creation of a more resilient society requires collaboration between private and public actors. The focus in the research group is to understand those processes, with a specific focus on entrepreneurship, innovation and sustainability.

There are also several relevant projects conducted by PhD candidates that are related to the ERS field. In one project related to circular economy it is studied why and how new public governance is taking form in the municipality of Helsingborg. The focus is on how different rationalities are negotiated and handled in different spheres of communication. In another project, a PhD candidate is studying how a Danish island is in the process of being transformed into a fossil free green island, with a focus on a social organization that works with this process. The study illustrates that even if we tend to portray and see social entrepreneurship as something positive that “cures” society and solves problems, there are conflicts and ambiguities between different actors and groups of actors that need to be considered. In the group there are also research projects focusing on how individual entrepreneurs are using their firms to contribute to improvement of the world more broadly, in a purposeful way.

Smart Manufacturing for EU Growth and Prosperity (2015-2018)

In this project, financed by the EU H2020 RISE program, LUSEM researchers work on the links between global innovation networks and regional innovation systems enabling the transformation of traditional industries in Europe. More specifically the transformation of the textile clusters in Prato (Italy) and Borås (Sweden) will be studied as well as the transformation of agro-processing manufacturing towards organic production in specific regions in Italy. With regards to the latter, LUSEM researchers are working on the role of international customers driving the transformation as well as regional factors affecting the speed of transformation towards organic production.


This is a long-term project at the department of economic history funded by Vinnova. It focuses on the construction of a data base of Swedish innovations from technical magazines. Research linked to this database has a particular focus on the Bioeconomy and Circular Economy in Sweden, trying to identify Swedish innovations in these areas. Researchers in
this project are also involved in the analysis of the economic, environmental and social impact of Swedish innovations and the transformation of the Swedish innovation system towards sustainability, particularly looking at food production.

**Research in economics related to ethics, responsibility and sustainability**

A collaboration between researchers at economics and business administration at LUSEM, and political science at Linköping University, is focused on municipally owned enterprises (MOEs) and their implications for accountability, governance and corruption risks. The project documents how the number of municipally owned enterprises is increasing over time in Sweden, leading to increasing concentration of powers to some decision makers. The project examines the link between municipally owned enterprises and conflicts of interest in local governance. The research area is particularly relevant given an increasing number of local corruption cases in Sweden which typically involves one or several MOEs. Moreover, auditors have complained that it is more difficult to audit and review MOEs, and journalists have reported that it is harder to conduct investigative journalism. The fundamental ethical challenge is that decision makers often appear both as elected members of the local council, in the municipality board, and at the same time have positions as board members in MOEs.

Research at the Department of Economics also deals with the role of social trust in reaching collaborative outcomes in social dilemmas. Social trust has been connected to several desirable economic and social outcomes, and a project run in collaboration with political scientists at the Research Institute of Industrial Economics in Stockholm (IFN) examines the robustness of social trust in low-trust environments. Recently published results suggest that trusting attitudes are shaped early in life and that attitudes towards trusting other people tend to be sticky among adults.

**Targeting Horizon 2020’s secure societies call**

On yet another level, there are several research projects that are being initiated at a smaller scale, with capability to become a grand vision for the School targeting Horizon 2020 calls within the next year. For instance, “towards the next generation of Europe’s secure societies” is a mission that some colleagues at the Department of Informatics are pursuing with their academic knowledge and industrial competence. The European Union has recently launched a call for academia and industry to join forces in launching a futuristic platform that will increase the security of the European societies. A consortium to target this has been initiated at Lund University and is in the process of identifying the role that this project would have to revolutionize the way we conceive security at the societal level. This has much to do with the General Data Protection Regulation (GDPR), the most advanced law that has ever been designed and which is an opportunity to start investigating how societal transformations from the security perspective can be managed in practice.
PRINCIPLE 5 & 6: PARTNERSHIP AND DIALOGUE

INTEGRATION WITH COMMUNITY, SHARING IDEAS AND BUILDING RELATIONSHIPS

An important part of LUSEM’s footprint has been to build long-term and fruitful partnerships with external stakeholders. This has been a good strategy in the past and will be increasingly important in the future. In order to continue to strengthen the quality of our research and education in the areas of ethics, CSR and sustainability, we believe that it is vital to uphold an open and active dialogue focused on these areas with relevant stakeholders both at the local, national and international arenas. We need to join forces and realize that we all are in a learning phase when it comes to how to most efficiently transform businesses and organisations to become more ethically aware, more responsible and genuinely sustainable. This is why the School actively engages and contributes to constructive discussions where knowledge, ideas and good examples related to ethics, responsibility, and sustainability are shared. Below are some examples of how the School is active in interaction with the wider community is manifested through different channels.

INTERACTIONS WITH THE BUSINESS COMMUNITY

Conferences, seminars and events are important components in LUSEM’s interaction with the business community. For a long time, many of these arrangements have highlighted relevant themes related to business ethics, CSR and sustainability. These arrangements provide a meeting place for fruitful and dynamic discussions between faculty, external stakeholders, and students.

LUSEM’s Corporate Partnership Foundation

One channel through which LUSEM interacts with the business community is LUSEM’s Corporate Partnership Foundation. Partner firms have access to faculty members and students, and they are regularly invited to seminars and conferences. In 2017, for example, LUSEM’s Corporate Partnership Foundation arranged a well-attended seminar together with the law firm Mannheimer Swartling, with the focus on how sustainability is related to risk management and business development. Speakers included representatives from the law firm and faculty members from LUSEM. Yet another important activity prioritised by LUSEM’s Corporate Partnership Foundation is to engage partner firms to discuss sustainability and business ethics with the School’s students. An example of such an activity is a panel discussion where all students entering the fourth semester are invited. A similar event is planned for students entering semester six.

Knut Wicksell’s Centre for Financial Studies

The centre regularly invites stakeholders from the business community to various seminars covering a range of different topics. Since the inception of the centre in 2011, it has been active in exploring themes relating to the financial crisis that was part of the reason for forming the centre. This series of seminars has been ongoing over the last three years and has been well attended by faculty, corporate partners, and guests from the wider business community. Speakers have included previous government ministers, members of the governing board of the Swedish Central Bank, and distinguished international guests.

Sten K. Johnson Centre for Entrepreneurship (SKJCE)

A third channel through which LUSEM interacts with the business community is the Sten K. Johnson Centre for Entrepreneurship. The centre has a strong engagement in a “VINNVÄXT” project (a type of project run by the Swedish Governmental Agency for Innovation Systems) called Urban Magma. The aim of the project is to work with urban development in processes that involve public actors, academia and private companies. The expected outcome is new innovative and sustainable urban solutions that could be implemented through entrepreneurship. Participating organisations are Sustainable Business Hub (coordinator), Region Skåne, Lund University, Malmö University, and the municipalities of Malmö, Lund and Helsingborg. SKJCE will assist with documentation, research, and analysis on the development, implementation, and outcomes of the platform.
The 1st Conference on Sustainable Business, Reporting and Assurance: A Focus on Challenges and Future Knowledge Needs. (SUBREA)

The SUBREA conference is an example of a successful interaction between LUSEM and the wider community in the areas of ethics, responsibility and sustainability. The SUBREA conference was initiated by a LUSEM faculty member with the objective of providing a forum where senior researchers, practitioners, politicians and policy makers are brought together to discuss the challenges and future knowledge needs related to sustainable business, reporting and assurance. In November 2017, the first SUBREA conference was hosted at LUSEM. During the two-day conference, with 160 participants, there were speeches on contemporary themes (sustainability reporting, sustainability assurance, sustainable finance, anti-corruption and ethics taxation) along with presentations of current research findings and best practices from companies and organisations. To further enable a constructive dialogue, there were expert panels and plenty of opportunity for the audience to participate in the discussions.

The initiation of the SUBREA network

Forming networks is a vital activity in the process of promoting dialogue, engagement and interaction between LUSEM faculty and various stakeholders in society. In the spring of 2017, the SUBREA Network was developed in order to create the best conditions for enabling a continued discussion between parties interested in different perspectives related to sustainable business, reporting and assurance. The objective was also to develop the network into a platform for exchanging experience related to the above areas. Today the SUBREA Network has over 100 members with a focus on sustainable business, including senior researchers, representatives from top management teams from Novo Nordisk, Volvo, SCA, Atlas Copco, IKEA, Telia Company, Tetra Pak, as well as NGOs and representatives from e.g. UN, GRI, EU, Swedish Government, IRCH, SIDA, ICC, and MISTRA.

The international conference The Economic History of Natural Resources and Sustainable Development

In the spring of 2018, this conference with a focus on the uneven development of countries with similar endowments of Natural Resources was organized. The underlying idea is that economic history gives clues to analyse the causes, consequences and maybe also the future developments of natural-resource management. The conference represented a first step in this direction. The aim was to improve knowledge about the experiences and policies in several countries with rich endowments of natural resources throughout the modern era. The participants were from three continents and from more than 10 universities around the world, e.g. St Andrews (Scotland), University of Southern Denmark (Denmark), Umeå University (Sweden) and Barcelona (Spain).

Lund Sustainability Week 2018

This year LUSEM arranged and hosted two seminars during Lund University Sustainability Week. The first seminar focused on Agenda 2030 and the Sustainable Development Goal No 6 Clean Water. The second seminar highlighted challenges with the new EU Directive (2014/95/EU) by posing the question Is a new toothless tiger born. Both seminars engaged researchers, business representatives, NGOs, students and faculty members in constructive discussions. Many students, both undergraduate and master students, attended the seminars and took an active role in raising questions in the panel discussions. In coming seminars LUSEM’s student union LundaEkonomern will be engaged to find students to act as moderators. Besides these two seminars, several of
LUSEM faculty were engaged in other seminars and events during the Sustainability Week. Themes at focus here were e.g. sustainable consumption, responsible management and executive education.

INTERACTIONS WITH POLICY MAKERS AND THE GENERAL PUBLIC

LUSEM is an active participant in the public debate on issues relating to sustainability, ethics and responsibility. Faculty feature regularly in national and international media with newspaper articles, op-eds, and radio- and television interviews. Besides seminars and events that faculty members participate in, direct interactions with policy makers take place in various advisory and board roles that faculty hold, for example, for the Forum for Reforms, Entrepreneurship and Sustainability (FORES), the Centre for Business and Policy Studies (SNS), Delegation for Trust-based Public Management (Tillitsdelegationen), Institute for Evaluation of Labour Market and Education Policy (IFAU) and Swedish Institute for European Policy Studies (SIEPS).

Other direct involvement in the public debate is the contribution to the discussion on sustainable business and business ethics in the forthcoming book Challenges in Managing Sustainable Business: Reporting, Taxation, Ethics and Governance (Palgrave Macmillan). The volume, which is initiated and sole-edited by a researcher from LUSEM, includes 17 chapters authored by international researchers and with a specific aim to highlight challenges related to these areas but also to suggest constructive ways forward. The book is aimed at researchers, students, policy makers and the general public. The book Corporate Income Taxation, CSR and the UN’s 2030 Agenda for Sustainable Development, which is co-authored by one of LUSEM faculty members is yet a good example of how we engage in the ERS debate.

Another excellent example of interactions with policy makers is the thematic collaboration initiative BISS (Big Science and Society), which is coordinated by a LUSEM researcher and engages four faculties at Lund University and fourteen external partners, e.g. the Swedish Tax Agency, Forschungszentrum Jülich (Deutschland), Technical University of Denmark (DTU), Science and Technology Facilities Council (UK), and MultiHelix Think Tank. The focus is on a number of thematic activities that concern the major research facilities ESS and MAX IV, under construction outside Lund, and how they develop in harmony with surrounding society. BISS regularly arranges public seminars, events and meetings where these topics are discussed on the basis of the practical experiences of the cooperation partners, the expertise of the researchers involved and invited guests, and the audience’s interest.

Researchers at LUSEM are frequently engaged in various activities with national and international policy makers. A recent example, from May 2018, is when a researcher at LUSEM was invited by the Swedish Ministry of Foreign Affairs to moderate the session Interaction between government and business and participate in the closing panel at the international conference Swedish Tax Conference: Reaching Agenda 2030. The two-day conference had over 400 participants from the UN, the OECD, the World Bank and governments from all over the world.

The EU High Level Group on Sustainable Finance concluded in their final report from January 2018 that initiatives are needed to enhance the value-relevance, credibility and comparability of information related to sustainability performance. A researcher at LUSEM has been appointed chairman of the Advisory Board of such an initiative aimed at developing a sustainability ranking (including dimensions of environmental, social and economic sustainability) for listed Swedish companies. This initiative is initiated by Sweden’s
largest business paper Dagens Industri and their subsidiary Aktuell Hållbarhet. The initiative will be on-going and aims at providing both companies and their external stakeholders with a ranking system relevant for understanding and assessing sustainability performance.

INTERACTION WITH THE NATIONAL AND INTERNATIONAL ACADEMIC COMMUNITY

As mentioned previously, LUSEM is involved in several interdisciplinary and international projects bringing together researchers from all over the world. LUSEM is in addition closely involved in a training centre in Africa: Trade Policy Training Centre in Africa (Trapca). Trapca was founded in 2006 as a joint initiative between the ESAMI, Lund University, and the Swedish International Development Cooperation Agency (Sida). The initiative was based on a feasibility study, commissioned by Sida, which demonstrated that there was a great need among Least Developed Countries (LDCs) to train staff in international trade policy and trade law. Trapca was set up with the purpose to strengthen the capacity and competence in international trade policy for representatives from government, business and civil society in these countries. Lund University is the academic partner of Trapca and has the responsibility for the quality and examination of the courses and programmes.

To establish an internationally anchored centre with both African and global trade institutional linkages, Trapca has entered into collaborations at different levels with several institutions, including the World Trade Organization (WTO), the World Trade Institute (WTI), World Bank (WB), United Nations Conference on Trade and Development (UNCTAD), United Nations Commissions for Africa and Europe (UNECA and UNECE), Food and Agriculture Organization (FAO), World Intellectual Property Organization (WIPO), United Nations Institute for Training and Research (UNITAR), International Trade Centre (ITC), the International Institute for Sustainable Development (IIED), the Consumer Unit Trust Society (CUTS), Geneva, South-North Network, African Development Bank (AfDB) as well as Government ministries of trade and related activities.

An independent evaluation, commissioned by Sida, has been conducted earlier this year on the relevance and progress of Trapca. The evaluation report concludes that “LUSEM has played a critical role in providing academic support and quality assurance” and the engagement by LUSEM is to be sustained and continue in order for the MSc programme to be offered. The evaluation report states also that there are currently no other institutions or programmes offering a similar product at a level comparable to Trapca.

On a final note, LUSEM is an active part in many dialogues and activities at Lund University focusing on issues related to ethics, responsibility and sustainability. To mention a few: LUSEM has an active representative at Lund University’s Sustainability Forum, which play an active part in developing the Sustainability Strategy of Lund University. The dean of LUSEM is chairman of the board of the IIIEE, mentioned above; this Institute has a semi-autonomous role vis-à-vis the University. LUSEM takes part in a number of seminars during the annual Lund University Sustainability Week. LUSEM’s Sustainability Coordinator represented Lund University together with the pro vice chancellor at the conference organised by the Swedish Higher Education Authority on how Swedish universities should develop new educational initiatives to strengthen their focus on sustainability. Common to all these activities are that they contribute to the integration of issues on ethics, responsibility and sustainability.
Future development of responsibility

At LUSEM there is a strong commitment towards contributing to the fulfillment of the UN Sustainable Development Goals and the pursuit of Agenda 2030. Besides being an institution of higher education that educates a large number of both undergraduate and master students, LUSEM is a research-intensive business school with a solid foundation in topics related to ethics, responsibility and sustainability. This implies that the primary means for expanding the School’s footprint when it comes to ethics, responsibility and sustainability go through our students and researchers. Both management and faculty members at LUSEM are dedicated to equipping students with a mind-set, skills and competences that will guide and support them in contributing to a sustainable development. Our researchers are active both on the national and international arenas when it comes to research initiatives, outreach activities and the public debate related to ethics, responsibility and sustainability. Besides supporting a continued positive impact on the educational and research field, we aim to further strengthen LUSEM as a Sustainable Campus.

At LUSEM, we are intent on fully integrating ethics, responsibility and sustainability in our routines and practices. The first step in this process, which is currently being undertaken, is to develop a more comprehensive system for Sustainability Governance. The fact that LUSEM now has appointed a sustainability coordinator also working more broadly with ERS-related issues is a clear strategy for placing ethics, responsibility and sustainability high on LUSEM’s agenda.

By being among the largest business schools in Scandinavia, the LUSEM has a special responsibility. We educate more students in business and economics than most other schools, and our curriculum developments often inspire similar developments at other schools. As described in this report, we have during the last years encouraged our faculty to develop a variety of course contents related to ethics, responsibility and sustainability. Our students today study ethics, responsibility and sustainability in several courses in different subjects at various levels. The development has to a large extent been “bottom up” which has encouraged initiatives and resulted in a rich variety of approaches. Parallel to this process, at the School level there have been initiatives “top down” to develop some courses and course modules that have been launched at the early stages of our programmes with the aim of securing that all students have a basic level of understanding of ethics, responsibility and sustainability. An important additional initiative that is going to be pursued is the development of the Nordic Chapter of PRME. LUSEM intends to continue being an active partner in future exchanges of best practice, and to deepen collaborations in PRME-related projects, e.g. developing a common library of relevant Nordic cases for teaching purposes.

The involvement of students will continue to be critical in the coming years. All the time, we witness that students are engaged and enthusiastic about issues related to ethics, responsibility and sustainability. They are the ones that will safeguard a sustainable development and their enthusiasm must be a driving force in our endeavors to train them for this great challenge. Thus, at LUSEM we are determined to strengthen our dialogue with our students. An example of this is the Sustainability Speak-up Day that will be launched in the autumn of 2018. Furthermore, a seminar series Agenda 2030: Behind the Scenes will be directed to our faculty members and students. This seminar series will be moderated by students and will provide plenty of opportunity to constructive discussions.

An example of faculty development activities is the course on teaching and learning in higher education with a focus on “Teaching with cases” given by LUSEM. This course is open for all faculty members at the University. Thus, the embedded concentration on sustainability and ethics reaches beyond the faculty of the School. The aim is to benefit all students at the University in the longer run.

To walk the talk is critical. Organisations are often criticized for focusing their strengths on appearing good and not on being good as well as, for using ethical, responsible and sustainable activities as mere window dressing. At LUSEM we are determined to develop routines and processes that safeguard our ambitious principles for ethics, responsibility and sustainability. In this respect, our system for Sustainable Governance is important. As mentioned earlier in the report, we have several guides that support this joint commitment, and laying the foundation for a Sustainable LUSEM Campus. Other recent examples that we have initiated to move the process forward of establishing LUSEM as a Sustainable Campus is that we are in the process of developing guidelines for how to promote ecological and green food alternatives, as well as how to reduce food waste in relation to seminars and conferences. In continuous dialogues with the National Property Board of Sweden, which is responsible for the estate management of LUSEM, we are reviewing new smart solutions for e.g. reducing energy and water usage and installing solar cells. For many years, our electricity is 100 per cent from renewable energy and we use district heating that is 100 per cent fossil free. At LUSEM we have developed an extensive system for waste sorting and re-use of different materials. Furthermore, we are in the process of introducing electronic exams, which will reduce paper usage. We are confident that every little step counts in our endeavor of promoting a sustainable development. In 2018, the world overshoot day occurred on 1st of August. 40 years ago, it was in December. If we join forces we will be able to push it back to December.
Everyday life at LUSEM shall reflect the School’s ambitions of creating a sustainable world.