

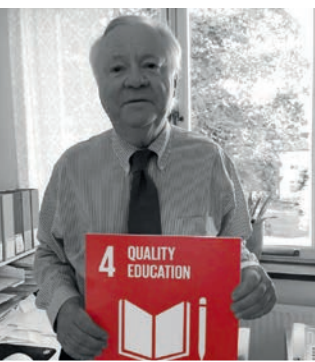


2016

ANNUAL REPORT

—

MISUM/STOCKHOLM SCHOOL
OF ECONOMICS



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KNOWLEDGE PROVIDES POWER TO SHAPE THE FUTURE

Stockholm School of Economics (SSE) is an intellectual hub that enables individuals to be part of a community that shapes tomorrow. And for sure, tomorrow will look quite different from today.



A substantially different geo-political situation, increasing protectionism and growing nationalism has quickly re-shuffled the playing field for businesses and societies at large. With political leaders questioning the role of science, and downplaying the need for freedom of speech, academic virtues become more important than ever. At SSE, we rest firmly on science and an academic approach to knowledge. When a close to unanimous research collective points to the realities of global warming, and when the world has sensationally agreed on 17 goals to end poverty, protect the planet and ensure prosperity for all, then higher education institutions such as SSE must play their part.

I am proud to witness the development of Misum, and it is a proof of how concerted action can help boost knowledge production and dissemination. In two short years, Misum has managed to shed bright light on

sustainable markets. Misum points to the pressing needs of understanding how markets function, the fallacies of regulation and re-regulation and, most important, how social structures intertwine with facts and evidence.

Knowledge is power, and knowledge of sustainability and market mechanisms provides us with power to shape the future. With Misum, SSE stands immensely much better prepared to take on the challenges of tomorrow. I profoundly want to thank all those who on a daily basis are making this possible.

Professor Lars Strannegård
President
Stockholm School of Economics

MISUM ENGAGING IN THE SUSTAINABLE DEVELOPMENT GOALS

On January 1, 2016, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development came into force.



Over the next 15 years, with these new goals that apply universally, countries will mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change. These goals spell out the challenges we must meet to ensure the sustainability of our planet, and to ensure prosperity and equity for all. To achieve them, the participation of the private sector, along with the markets they conduct business in, is essential and particularly relevant to Misum.

Throughout the year we have started to align our research projects, education and outreach activities in terms of their connection to the SDGs. For instance, we have exciting new research focused on the SDGs themselves, especially on understanding the trade-offs between the natural and socioeconomic systems, along with big data research on poverty alleviation and market research on sustainable cities. We have a number of projects within goal 12 on responsible consumption and production and are especially excited for all the new research being undertaken connected to goal 17 on partnerships for the goals. The research and practitioner engagement by financial market actors, initiated through the Mistra Financial Systems program hosted by Misum, is especially promising.

On the education side, we have taken on the role of the Nordic Chapter Chair for the UN Principles for Responsible Management Education (PRME) and have with the Hanken School of Economics and the Norwegian Business School (BI) developed the first-ever PRME PhD course with students from all over the Nordic region. Altogether, I'm so proud that the Misum team have taught more than 2 270 students and practitioners, authored 24 working papers, published 15 articles in peer review journals, and participated in 20 conferences around the world. We have held 42 research and practitioner seminars with a total of 2 097 participants in 2016.

In this second year of Misum, we are proud of how quickly we've built up momentum and established ourselves on the Swedish scene as an important arena



bridging academia, policy and practice in sustainable markets. In the coming years, and with the great addition to the Misum team of Professor Mette Morsing, I hope we will continue on this positive trajectory by more clearly having an international impact.

Lin Lerpold
Associate Professor Stockholm School of Economics
Executive Director Misum

OUR RESEARCH PLATFORMS

SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT

explores how sustainable practices can be introduced, maintained, and improved within a market-based society. Best practice insights, actions and policies are suggested with the purpose of building a more sustainable society.

Director: Örjan Sjöberg

Researchers: Ranjula Bali Swain, Lars-Gunnar Mattsson, Svenne Junker, Max Jerneck, Serafim Agogiannis, and Erik Wetter.

SUSTAINABILITY IN PRODUCTION AND CONSUMPTION

is a platform that aims to address how markets, market actors, and natural and social systems interact in organizing, shaping and changing towards more sustainable (or unsustainable) practices in production and consumption.

Director: Susanne Sweet

Researchers: Marijane Jonsson, Enrico Fontana, Jennie Perzon, Clara My Lernborg, Tina Sendhofer, and Ingrid Stigzelius.

SUSTAINABLE FINANCE aims to put financial markets to work for sustainability and investigate how financial systems can better contribute to sustainable development. The platform hosts two research programs, Mistra Financial Systems and Vinnova Green Finance, both divided into numerous projects.

Director: Cecilia Repinski

Researchers: Emilia Cederberg, Emma Sjöström, Joakim Sandberg, Ebba Sjögren, and Hanna Setterberg.



Örjan Sjöberg, Susanne Sweet, Cecilia Repinski and Bo Becker, program director Mistra Financial Systems.



Misum is a cosmopolitan mix of 23 researchers, one administrator and a communication manager. We represent eight different countries and together we speak seventeen languages: Swedish, Norwegian, Danish, English, German, French, Italian, Spanish, Greek, Hindi, Japanese, Filipino, Urdu, Punjabi, Oriya, Bengali, and Afrikaans.

Follow us on our website and blog and on Facebook, Twitter, and LinkedIn.



Elizabeth Barrat,
Administrative
Manager



Mette Morsing,
Scientific Director
and Professor
in Sustainable
Markets



Tinni Ernsjö Rappe,
Communications
Manager

TRANSFORMATIVE CHANGES NECESSARY TO MITIGATE CLIMATE CHANGE

Economic and social aspects of the Sustainable Development Goals (SDGs) may be effective in creating short-term sustainable development.

However, our focus on economic growth and consumption will make it difficult to achieve Agenda 2030, says Visiting Professor Ranjula Bali Swain.

How can we achieve the SDGs?



My recent research has focused on investigating the potential incompatibility of the SDGs, specifically socio-economic development and environmental

sustainability, and reveals that the focus on economic growth and consumption underlies this. However, our results also suggest that factors such as improvements in social infrastructure and ecological sustainability (renewable energy) may lead to sustainable development without triggering the incompatibilities and trade-offs in achieving the SDGs. In our paper 'The Sustainable Development Quagmire', we further find that countries (especially developing countries) may continue with their economic and social growth objectives in the short term. In the medium and long-term however, eco-economic decoupling would be essential to further strengthen the fulfillment of the SDGs.

Who should be interested in your findings?

All stakeholders, such as governments, practitioners, and the wider research community, should be aware of the inconsistencies, challenges, and trade-offs in attaining sustainable development. At the same time, there are effective choices and investments that we can make to move towards more sustainable paths.

Are you concerned about the climate?

Estimates suggest that if about 3–4 percent of the world's output is invested in reducing excess consumption, wastage and increasing low carbon energy, we can successfully meet the challenges of global warming and climate change. I am inclined to believe that without transformative changes, within the near future our challenges will be monumental.



Is there anything else that you would like to highlight?

Interpreting, implementing, and monitoring the SDGs will be critical to their success. The universal and transformative SDGs cover a very broad range of objectives and set an ambitious agenda.

In my ongoing research, we are investigating effective ways to measure and quantify the SDGs. Reviewing multi-disciplinary literature, we try to decode what sustainable markets are. Furthermore, we also interpret what sustainable markets and SDGs imply for Swedish businesses and how they may proceed to attain these objectives.

POST-TRUTH POLITICS REDUCES THE IMPACT OF SCIENTIFIC EVIDENCE

Lars-Gunnar Mattsson, Professor of International Marketing at Misum, is deeply concerned about climate change but believes that interaction between policy practice and market practice as well as interdisciplinary research may promote sustainable development.

What areas of study interest you?



I have studied markets and marketing for many decades, focusing on distribution systems and international industrial markets. Efficiency and effectiveness in market economies are highly dependent on business interaction and business relationships. Markets are dynamic networks of exchange relationships, continually developed and shaped by market practices, both by cooperation and competition.

Since joining Misum, I study how interaction between policy practice, especially multi-stakeholder policy initiatives, and market practice may create sustainable markets (markets that substantially contribute to sustainable development). This is for me a new and fascinating research area.

How are your research results used?

My earlier research was to a considerable extent a result of interaction with business practitioners, on at the time contemporary issues of high relevance. Examples are market orientation of Swedish industry, development of systems selling, globalization of market networks, and more recently IT enabled service innovation. Results have been used in many types of interaction with business, e.g. internal and external management seminars, management and academic education, publications and of course in research communication of various kinds.

Who should be interested in your findings?

Research is an ongoing, interactive process; it is not solely reporting results from individual studies. By focusing research on how interaction between policy practice and market practice can shape sustainable markets, I need to develop new relationships with policy practitioners and business practitioners on application of findings and on further research.

What are your thoughts on the future?

I am deeply worried about climate change. It has negative implications for all the other 16 Sustainable Development Goals. A wider application of "post-truth politics" reduces the impact of scientific evidence and of democracy as we know it.

Is there anything else you would like to highlight?

More truly interdisciplinary research is needed to promote sustainable markets.



VINGER ELLIOT FOTOGRAFI

Lars-Gunnar Mattsson was in October 2016 awarded a gold medal from The Royal Swedish Academy of Engineering Sciences for "his central role in developing industrial international marketing as an academic discipline."
– Of the 17 SDGs, the 13th is climate change and it is the most important. All the other 16 are dependent on this, Lars-Gunnar Mattsson says.

"A sustainable market is a market that supports sustainable development, while an unsustainable market does not."

Lars-Gunnar Mattsson and Örjan Sjöberg in "Market practice, policy practice. The quest for urban sustainability" (2017)

WORRIES AND CONCERNS CAN BE DRIVERS OF CHANGE

Who and what is it that makes food consumption green?

According to Ingrid Stigzelius, PhD student at Misum, green consumption is not only an isolated act of the consumer but a collective result of multiple actors and efforts in society.

What the most important findings in your research?



My research shows that consumer choice and green consumption go

beyond the consumer; we need to acknowledge all the different decisions and efforts that go into making food practices more or less green, for example decisions by policy makers, producers and store managers that frame consumer choices. For the individual consumers, it is difficult to determine how green the end result is and whether they make the right decisions. The consumer, however, plays a crucial role in changing practices by questioning what is taken for granted and by bringing new meanings to green food.

In relation to this, I have for example studied how practice changes took place in Swedish kitchens during and after the Second World War. This was a time when we went from a restricted food consumption based on the rationing system, to gradually becoming accustomed to more convenient ways of cooking. The study shows that changes of kitchen practices was mainly driven by societal concerns demanding new solutions, rather than by individual motives. Domestic work generally became difficult to manage when housewives entered the labor market, which demanded new convenient kitchen solutions. In light of the current societal concerns for more energy-efficient, waste-free, and climate friendly solutions, market actors would need to accommodate their market offerings to achieve similar changes in the kitchen.



"My research contributes toward goal 12. Consumption and production are intricately connected to each other and forms the base for so many social and environmental harms. If we recognize how decisions in one end may have external effects in the other, we can start to take greater responsibility for the whole chain of interactions."

How should our focus change?

My results suggest that we need to direct more attention to the socio-material structures that surround the consumer, rather than their personal motivations and attitudes. For example, unsustainable choices are promoted in everything from how food is positioned on store shelves to how emissions from air travel are taxed. The acceptance of unsustainable structures also becomes enforced in traditional and social media by reproducing what is seen as normal. We need to ask ourselves how we can promote more sustainable practices in the way markets and sites of consumption are organized.

Are you concerned about the climate?

I am a worrying kind of person but this does not necessarily have to be a bad thing, since the worries that so many of us feel today can be a driver for change. Being concerned is a prerequisite for raised awareness of public interests, such as climate change. If we become allied in our concerns as consumers and citizens, it could in turn encourage politicians and business leaders to make bolder and more responsible decisions.



Ingrid defended her PhD thesis on March 31, 2017.

— 2016 IN BRIEF —

HIGHLIGHTS OF THE YEAR

From migration to art, Almedalen, and a policy paper contest, Misum had a busy time in 2016. We educated students, welcomed new staffers, hosted a Nordic PhD course and did speed-dating – a wide variety of ways to promote sustainability.



PHOTO: ÅSA LUNDÉN/MODERNA MUSEET

LIN LERPOLD + OLAFUR ELIASSON AT MODERNA MUSEET

Taking Action through Art and Economy. On January 16, Lin Lerpold together with world-famous artist Olafur Eliasson participated in a symposium at Moderna Museet. The theme of the day was: "What are the necessary changes we must make to create socially, environmentally, and economically sustainable societies?" Full house!



SUSTAINABLE SWEDISH POWER

Lin Lerpold hit 11th place on the list of the most powerful Swedes in the area of sustainability by the magazine *Aktuell Hållbarhet*. A great honour for both Lin Lerpold and Misum that shows what an important player Stockholm School of Economics is in shaping the future Sweden.



THE VALUE OF MIGRATION

On March 22 Misum together with Axfoundation hosted a big seminar on migration. "Vinnvandring" (The migration value creation) attracted 200 guests from different parts of society. Deputy Secretary-General of the UN Jan Eliasson gave a welcome speech via web link and researchers, politicians, social entrepreneurs, and the business sector gave their views on the value creation of migration.



MISUM + THE US EMBASSY IN SWEDEN

Together with the US Embassy in Sweden, Misum hosted a policy paper competition open to student members of the Swedish Association of International Affairs and SSE students on the topic “How can the United States and Sweden help ensure that women in developing countries participate equitably in helping their countries meet COP21 commitments?” The winning team, from SSE, won a trip to Washington, DC including meetings with environmental policy organizations and government officials.

SPEED DATE A RESEARCHER

“Don’t miss the chance to ask everything you always wanted to know about sustainable markets and research.” At the yearly CSR Fair at SSE in May, arranged by the students, Misum gave the students a chance to speed date Misum researchers. A well-attended event.



EDUCATION AT ALL LEVELS

Education is one of Misum’s three pillars. During 2016 our researchers gave lectures and seminars at all the different levels of SSE: Bachelor, Master, MBA, PhD and Exed. Misumers also gave pro bono lectures for SSE’s program for refugees, the Rapid Acceleration Management Program (Ramp), as well as lectures for Global Challenges – a new obligatory track for all students on the Bachelor program at SSE focusing on how sustainable development can be achieved in practice, on the ground, in all parts of the world.



DATA FOR SUSTAINABILITY

In October Misum welcomed Erik Wetter as a new affiliated researcher, and with him a whole new research area: data for sustainability. Erik Wetter is also a co-founder of the non-profit organization Flowminder, founded by a number of academics who pioneered using mobile and satellite data to support the SDGs.



PHOTO: PETER RUTHERHAGEN/SMARTA SAMTAL

ALMEDALEN 2016

Misum sent four researchers to Almedalen 2016, and held a big and well-attended seminar with the Stockholm Environment Institute and Hagainitiativet on the Sustainable Development Goals (SDGs) and their role for the business sector and the welfare of Sweden. Apart from that event, the Misum researchers spoke at 16 other seminars on sustainability.



NORDIC PRME COURSE FOR PHDS

The Stockholm School of Economics is a signatory to the Principles for Responsible Management Education (PRME), a UN Global Compact initiative. At the annual meeting of the Nordic Chapter of PRME in September, the school was chosen to co-ordinate the chapter for the next two years – a task undertaken by Misum. In the same month, Misum hosted the first module of a new Nordic PRME PhD Course, “CSR and Sustainability in the Nordic Context”, welcoming 19 students from Nordic countries to Kämpasten for three days. Lin Lerpold also held a workshop about PRME with all SSE program directors.



MISUM MOVIE NIGHTS

During the fall Misum had two “Misum movie nights.” We screened documentary movies with different sustainability themes, followed by panels of researchers discussing the films with the audience. A big success with a mix of students, business people, Stockholm citizens and researchers in the room. Open for everyone. We will continue our movie nights the coming year.



AGENDA 2030 AND BUSINESS

On September 16 Misum welcomed Parul Sharma, chairperson of the delegation for Sweden’s implementation of the 2030 Agenda, to lead the seminar “Agenda 2030 and business; the difference between Agenda 2030’s cherry-picking opportunities and international conventions.” At the seminar Misum’s Ranjula Bali Swain also spoke about “The sustainability quagmire.” The room was full.



MISUM AT OECD IN PARIS

In September Professor Örjan Sjöberg's platform, Sustainable Socioeconomic Development, went on a study trip to Paris to visit Svenne Junker who is doing research at OECD for one year. Svenne Junker is studying the international policymaking of OECD and the name of his study plan is "Harder than soft and softer than hard – the contribution of OECD to the international governance of sustainable markets."

OUR NEW PROFESSOR!



On November 15 the Board of the Stockholm School of Economics awarded Professor Mette Morsing the new Mistra Chair in Sustainable Markets, funded by Mistra. Mette Morsing will lead the research at Misum and also be involved in the school's courses on sustainability. Since 2007, Mette Morsing has been a

professor at the Copenhagen Business School, and her interdisciplinary research in management, governance, sociology, and communication studies has focused on CSR and sustainability. Between 2002 and 2012 she was responsible for the CBS Center for Corporate Social Responsibility, an interdisciplinary research center that she also founded. We are very happy to welcome Mette Morsing to Misum.



SUSTAINABLE CONSUMPTION

On October 9 the debate article "The government misses the main issue: consumption must decrease" by Lin Lerpold and Örjan Sjöberg was published in Dagens Nyheter Debatt. It started a public discussion around the government's strategy for sustainable consumption on the pages of DN Debatt involving for example Minister for Consumer Affairs Per Bolund.



SCALING UP GREEN FINANCE

In late December the Misum research program "Mistra Financial Systems" together with UNEP Inquiry launched two new reports on green finance at a seminar arranged by MFS/Misum and held at the Swedish House of Finance. Invited were the finance sector, government, regulatory bodies and academia – to discuss both hurdles and opportunities, and how Green Finance can be scaled up.

SUSTAINABLE FINANCE

Mistra Financial Systems was this year's newcomer to Misum, and around the program we built the Sustainable Finance platform. The platform tackles the question: how can financial systems better work for social and environmental sustainability?



MFS, funded by Mistra, was launched in March 2016 and involves nine partner institutes from Stockholm, Göteborg, Vienna and London. Thirty research projects and more than fifty researchers analyse a variety of actors, levels, and perspectives. We have researchers who develop macroeconomic models to understand how economies are exposed to carbon-intensive assets, while others investigate household financial literacy. We have researchers looking into how green innovators access capital, while others shed light on innovations in the financial industry such as green bonds and catastrophe bonds.

Mistra Financial Systems also engages the finance sector around practically oriented research activities to ensure our findings help inform financial decisions.

In our first year, MFS produced four scientific publications and organized seven seminars to present and debate our research with other academics, practitioners and policy makers. We talked about our work at more than 50 events or in media appearances.

I believe the financial sector is a central player in the future of sustainable development. Looking ahead, as the Sustainable Finance platform in Misum, we hope to foster our productive collaborations further. We aim to produce more and more research findings to help steer capital flows towards a sustainable future.

Cecilia Repinski
Platform Director Sustainable Finance

GROWING IN STRENGTH ON SUSTAINABLE MARKETS

At Misum we focus on the central role of markets in driving transformation, as described by the Sustainable Development Goals, toward a sustainable future.



Our main questions concern what a market can and cannot do, as well as the regulations needed to support the market's function to steer decision-making and action by business, consumers, and investors. This is central to our research agenda.

To drive action and achieve results, we need efficient co-operation between companies, politicians, opinion makers, consumers and investors. This is the objective of our second pillar: outreach and interaction with stakeholders.

The third pillar is to educate existing and future leaders about the global challenges and actions needed. Misum is a resource center for educational programs on sustainable development at the Stockholm School of Economics and provides both intellectual content and teaching resources.

Financial markets strongly influence investment patterns in companies. It is therefore encouraging that in 2016 Misum, with a broad international consortium, received funding to strengthen its work in the new Misum Financial Markets program.

On behalf of Misum's board I would like to express my deep thanks to the management and staff for successfully taking Misum forward in 2016 on the journey toward sustainable markets.

Let me also express my gratitude to the founders, Mistra, and SSE, for their continued strong support and involvement in our work.

I feel confident Misum will continue to make substantial contributions to the sustainable development agenda and Swedish competitiveness.

Björn Stigson
Chair of the Misum Board

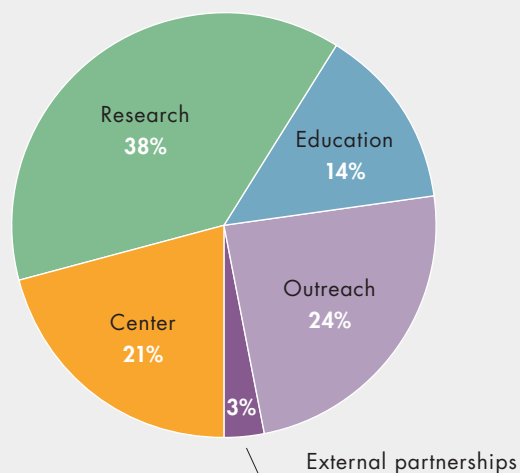
FINANCES 2016

EXPENDITURE

Center	1 896 094
Research	3 452 792
Education	1 309 292
Outreach	2 135 917
External partnerships	229 243
Strategic reserve 2015–2016	987 658

REMAINING FUNDS FROM MISTRA

Mistra has awarded Misum SEK 55 million for the period 2015–2019	
Remaining funds from Mistra	38 332 630



The Misum board:

Robert Eccles, Arabesque and former Harvard Business School
 Ingali Holmberg, SSE
 Johanna Mair, Hertie School of Governance
 Egil Myklebust, former SAS Group and Norsk Hydro
 Peter Norman, former Minister for Financial Markets and
 Chair of the MFS board
 Alexandra Mörner, AxFoundation and Johnson Group
 Lucia Reisch, Copenhagen Business School
 Lisa Emilia Svensson, UNEP
 Björn Stigson, Chair of the Misum Board and former WBCSD
 Lars Strannegård, President SSE



Peter Norman, Ingali Holmberg, Alexandra Mörner, and Björn Stigson.



On the cover, from left: Serafim Agrogiannis, Susanne Sweet, Emma Sjöström, Örjan Sjöberg, Lars-Gunnar Mattsson, Cecilia Repinski, Tinni Ernsjö Rappe, Elizabeth Barratt, Lin Lerpold, Ranjula Bali Swain, Clara My Lernborg, Jennie Perzon, Sophie Nachemson-Ekwall, Tina Sendelhofner, and Bo Becker.

(Missing: Mette Morsing, Emilia Cederberg, Ebba Sjögren, Enrico Fontana, Max Jerneck, Svenne Junker, Marijane Luistro Jonsson, Joakim Sandberg, Erik Wetter, and Ingrid Stigzelius.)

Interviews by Emilie Eliasson Hovmöller.

Cover photo and photos on page 4, 5, 6, 7 by Juliana Wiklund



MISUM

Mistra Center for Sustainable Markets
Stockholm School of Economics
P.O. Box 6501 · 113 83 Stockholm · Sweden
misum@hhs.se
www.hhs.se/misum