Leveraging technology to meet sustainability and community goals

OXFORD ECONOMICS

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Businesses and governments are working to make progress on a variety of community goals, from improving sustainability to closing the digital divide. Our research finds that organizations that prioritize sustainability and community-building initiatives, place trust in both the public and private sectors to support these efforts, and understand the importance of technology as an enabler of progress are demonstrating clear wins.

To better understand how businesses and governments are working to meet sustainability and community goals, Oxford Economics partnered with HP to survey 1,032 business executives and government officials from 10 countries across multiple sectors.

The survey revealed several key takeaways:

- **Technology is crucial to furthering sustainability and community initiatives.** As emerging technologies such as AI become increasingly accessible to organizations and citizens alike, businesses and governments are leveraging these technologies for their sustainability, economic opportunity, and digital education goals.

- **Mutual trust between businesses and governments can drive more effective technology use.** Cross-sector collaboration is essential for increasing the adoption and use of technology to bridge the digital education gap.

- **Organizations stand to reap a wide range of benefits by advancing sustainability and community initiatives.** Organizations that collaborate with their sector counterparts can meet their social and sustainability goals while reaping benefits such as increased revenue, improved employee satisfaction, and new market expansion.

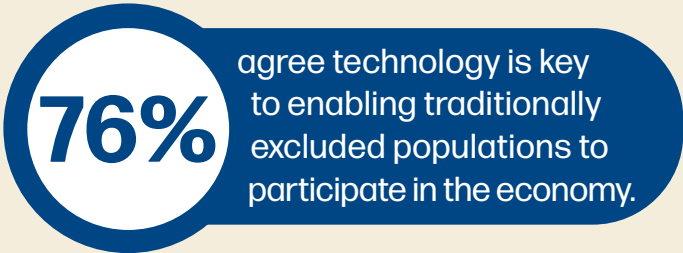## Methodology: A global survey of business executives and government officials

We surveyed 1,032 respondents (51% business executives and 49% government officials) who met the following criteria:

- **Titles:** C-suite executives and direct reports, government officials

- **Sectors:** Government; consumer products/retail; energy, resources and industrials; financial services and insurance; manufacturing; technology, software, telecom, media; life sciences and healthcare; professional services (including legal)

- **Organization sizes represented:** $250+ million in revenue or budget

- **Locations:** Canada, Germany, India, Japan, Mexico, France, United Kingdom, Brazil, China, United States

The survey was fielded online from October to November 2023.

Technology as a key driver of progress

Both businesses and governments are well-positioned to leverage emerging technologies such as AI to improve community well-being.

76% agree technology is key to enabling traditionally excluded populations to participate in the economy.

76% agree using AI in their organization will help drive social and environmental benefits.

In fact, both executives and government officials say a top goal today and in three years is investing in emerging technologies. Nearly half are already using AI to increase revenue, improve customer or constituent satisfaction, develop the workforce, increase access to digital education, increase workforce diversity, and improve resource efficiency. Even more respondents expect to use AI in the next two years to meet these goals. Among the top barriers to meeting their community goals, however, is a lack of skills and labor shortages—both of which AI can help address.

Government officials, in particular, see AI as an enabler of progress: 79% say it will help their organization drive social and environmental benefits. In fact, government officials are more likely than business executives to say they are currently using AI to navigate geopolitical uncertainty, benefit local communities, reduce carbon emissions, and increase workforce diversity. (Fig 1)

Region spotlight: APAC

Both India and China place confidence in technology to push their initiatives forward. Most respondents from India believe technology is key to enabling traditionally excluded populations from participating in the economy.

89% Indian respondents vs. **76%** total survey
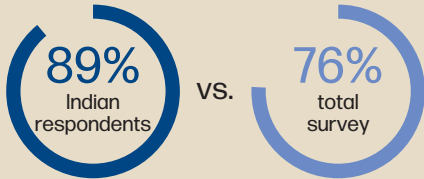
Respondents from China are one step ahead—they are reporting high AI usage rates. A majority say they are already using AI to increase their revenue (65% vs. 49% survey total), improve customer or constituent satisfaction (56% vs. 49%), work with responsible third parties (55% vs. 42%), improve resource efficiency (54% vs. 49%), and benefit local communities (50% vs. 43%).

Country spotlight: Brazil

More than three-quarters of Brazilian respondents say AI will help them drive environmental and social benefits

77% Brazilian respondents
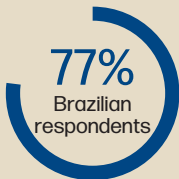
And many are forging ahead and using the technology to increase their revenue growth (57% vs. 49% global total), improve customer/constituent satisfaction (61% vs. 49%), develop their workforce (54% vs. 47%), increase labor force participation (54% vs. 42%), and invest in other emerging technologies (61% vs. 46%).

Fig. 1: Using AI to achieve goals

To what extent are you using or planning to use AI, including generative AI, to achieve the following goals?

■ We have already started using AI to achieve this goal   ■ We plan to use AI in the next 1-2 years to achieve this goal
■ We are not planning to use AI to achieve this goal

	Businesses			Government		
Increasing revenue growth	48%	45%	7%	50%	45%	5%
Improving customer satisfaction	49%	43%	7%	49%	46%	5%
Improving resource efficiency	48%	43%	9%	50%	47%	3%
Investing in emerging technologies (e.g., AI)	45%	47%	7%	46%	50%	5%
Increasing access to digital education	47%	43%	10%	46%	50%	4%
Workforce development (i.e., developing knowledge and skills)	45%	44%	11%	48%	46%	5%
Increasing transparency in operations	47%	40%	14%	44%	52%	4%
Increasing workforce diversity	42%	44%	13%	48%	47%	5%
Benefitting local communities	37%	47%	16%	50%	44%	6%
Working with responsible third parties, suppliers, and vendors	41%	47%	13%	43%	49%	8%
Reducing carbon emissions	37%	51%	12%	45%	46%	9%
Increasing labor force participation among women, disabled, and other typically excluded groups	40%	43%	17%	44%	48%	8%
Navigating geopolitical uncertainty	31%	49%	20%	48%	43%	9%

Coordinated action to enable effective technology use and close the digital divide

Businesses and governments acknowledge the potentially transformative benefits that emerging technologies can help deliver—but many remain cautious. For example, respondents fear potential issues with security, privacy, and compliance, especially since technological advancements tend to outpace regulatory developments. These concerns are especially high for government officials, who are more likely than their business counterparts to say AI is underregulated (76% vs. 64%) and that using AI has proven difficult given data security and privacy concerns (75% vs. 66%).

At the same time, delaying the adoption of emerging technologies could result in serious consequences, such as widening the digital divide. Those who fall behind on access to emerging technology miss out on both the economic and social benefits of adoption.

When it comes to closing gaps in digital equity, businesses and governments are both making it a priority. Increasing access to digital education is among the top goals for respondents both today and in three years. In fact, 86% of governments and 51% of businesses say their sectors are most responsible for spearheading this initiative. Mutual trust among public and private institutions can expedite progress in achieving these goals, and coordinated global public-private partnerships are crucial for addressing the digital divide.

Country spotlight: UK

The UK is taking the digital divide seriously—one of their top priorities is increasing access to digital education.
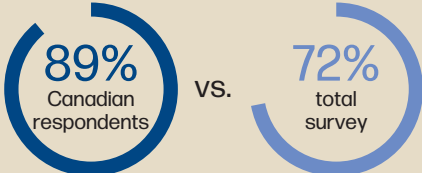
Allocating responsibility to push sustainability and community action forward

Mutual trust does more than enable effective technology use—it can also help organizations achieve their community and sustainability goals. Coordinated action starts with committing to goals and taking responsibility to advance initiatives proactively. Government officials believe their sector is responsible for increasing access to digital education, benefiting local communities, and navigating geopolitical uncertainty. Meanwhile, executives believe the private sector is the primary engine responsible for reducing carbon emissions, increasing workforce diversity, and increasing operational transparency.

Both business and government respondents seem to trust each other to further these initiatives: 83% of government respondents trust that the private sector will drive social progress in their country, and 72% of business respondents trust their government to implement policies that support investments in social progress. Executives also rank national governments as the entity that is most effective in improving access to economic opportunities, while government officials place their bets on large corporations.

Country spotlight: Canada

Businesses and governments from Canada are showing high levels of mutual trust. Almost all Canadian business respondents agree their government is supportive of their environmental and social initiatives.
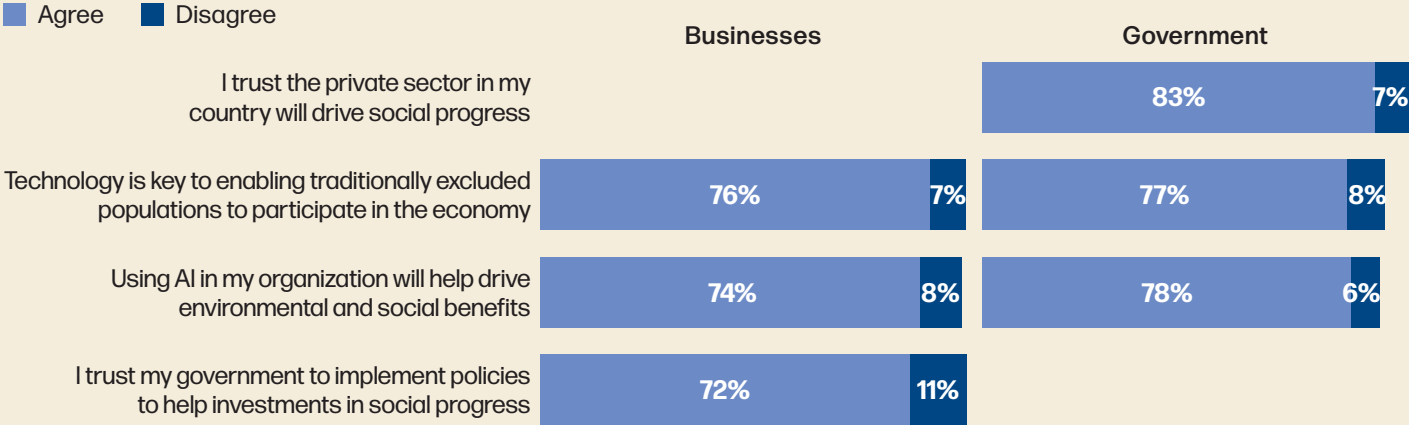
89% Canadian respondents vs. **72%** total survey

And trust their government to implement policies to help investments in social progress.

83% Canadian respondents vs. **72%** total survey
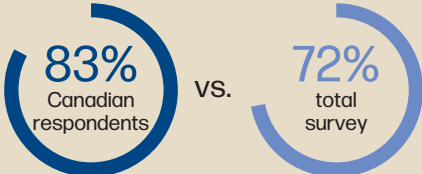
Vice versa, 88% of Canadian officials trust the private sector to drive social progress.

Fig. 2: Fostering mutual trust among businesses and governments

To what extent do you agree with the following statements?

■ Agree ■ Disagree

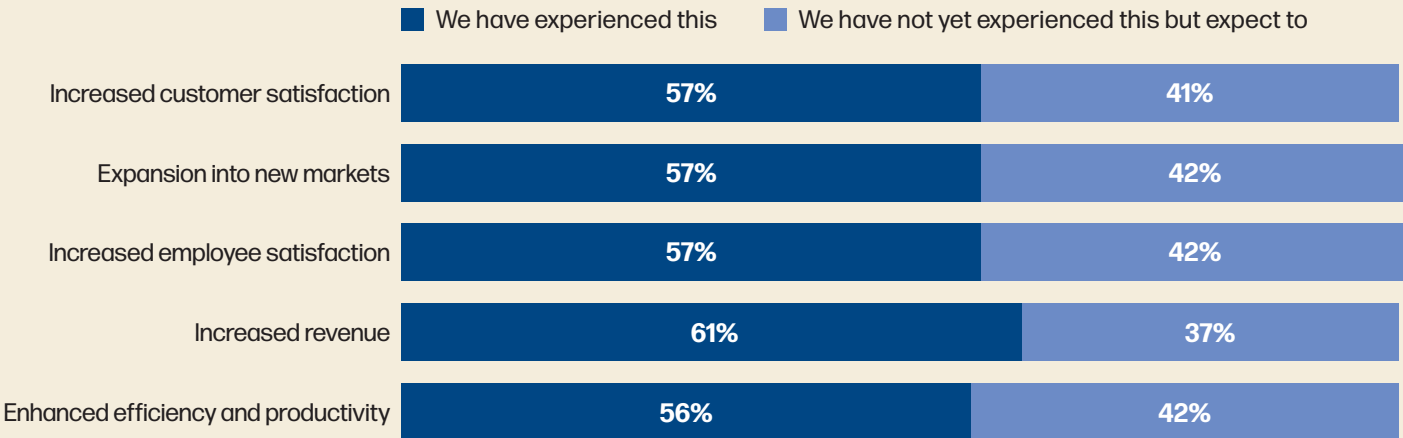| Statement	Businesses (Agree)	Businesses (Disagree)	Government (Agree)	Government (Disagree)
I trust the private sector in my country will drive social progress			83%	7%
Technology is key to enabling traditionally excluded populations to participate in the economy	76%	7%	77%	8%
Using AI in my organization will help drive environmental and social benefits	74%	8%	78%	6%
I trust my government to implement policies to help investments in social progress	72%	11%		

A focus on sustainability and community goals pays off for businesses and society

Executives and government officials are prioritizing sustainability and community goals primarily due to a sense of social responsibility, but they also stand to experience large business-specific gains. Prioritizing sustainability and community goals aligns entities with broader stakeholder expectations, regulatory demands, and the pursuit of long-term value creation and equity.

Organizations that are carving out space to improve the well-being of their country are already seeing results from their efforts. Most businesses are experiencing improvements in their revenue, customer and employee satisfaction, efficiency and productivity, and ability to expand into new markets. Governments are seeing similar results, including increased social and political invitations to operate in certain regions. Those respondents that have not yet experienced these benefits remain optimistic, as most expect to see these results soon. (Fig. 3)

Fig. 3: Benefits of addressing social and environmental issues

To what extent has your organization experienced the following benefits from addressing social and environmental issues?

- We have experienced this
- We have not yet experienced this but expect to

Benefit	We have experienced this	We have not yet experienced this but expect to
Increased customer satisfaction	57%	41%
Expansion into new markets	57%	42%
Increased employee satisfaction	57%	42%
Increased revenue	61%	37%
Enhanced efficiency and productivity	56%	42%

Conclusion

Businesses and governments have a unique opportunity to leverage emerging technologies such as AI to not only assist with day-to-day operations and strategy, but also to achieve their sustainability goals, increase economic opportunities in their communities, and improve digital equity. In a complex regulatory environment, the best-performing organizations will implement technology and initiatives with intention, accepting responsibility and coordinating across sectors to make progress.

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