Investments come in all sizes. Some investments are for the short-term and affect only a small number of people. Other investments are for the very long term and have implications for millions of people. The economic principles behind making large-scale investments in sustainable economic development are the same economic principles that drive any other type of investment. The art is in knowing what to analyze and what priorities will influence the future.

In September 1970, Nobel Prize laureate economist Milton Friedman wrote an editorial in *The New York Times* titled “The Social Responsibility of Business Is to Increase Its Profits.” Friedman was the quintessential classical, rational economist who believed that free markets are always right. The provocative title of the editorial, and much of its content, sparked outrage among many critics who felt that businesses should have broader societal responsibilities. Given the political climate of the times, much of Friedman’s editorial was a defense of free markets and a tirade against socialist influences. But the editorial also included many ideas that are perfectly consistent with the actions of many contemporary companies—including Nike, Whole Foods, and Interface—that are taking a more holistic view of where value comes from and how a business might satisfy its social responsibility to increase its profits.

Friedman’s focus was on shareholders as the ultimate owners of the firm, but he recognized that employees, suppliers, and other stakeholders play a critical role in any firm’s value creation. If the
firm makes decisions and invests resources that go against the will of its investors, customers, employees, and other stakeholders, then it will destroy value. Friedman explained, “There are no values, no ‘social’ responsibilities in any sense other than the shared values and responsibilities of individuals. Society is a collection of individuals and of the various groups they voluntarily form.” Firms also are collections of individual stakeholders who are working to maximize their own utility; the goal of the firm is to maximize value through these individual stakeholders working to maximize their own utility. We know that value can mean different things to different people: to some, it means financial value, to others it means something more abstract, such as impact.

This is not new to us. We’ve been talking about the diverse meanings of the concept of value creation throughout this book. The essence of making sustainable financial investments is to identify which economic drivers create the most value by understanding that all economic decisions and actions are initiated by individual preferences. We’ve seen how individual preferences can influence corporate investments in the examples of Nike, Whole Foods, Interface, and many other firms. Value creation is the result of individuals acting on their preferences; value creation is an integrated process of individuals, firms, and societies working together to become better off.

**Shared value investments: Firms and society**

The approach of focusing on the values of all stakeholders has led many firms to establish stakeholder engagement partnerships that are focused on long-term value creation. Few global companies are doing this more aggressively than Unilever. In November 2013, Unilever launched Project Sunlight, an initiative to promote healthy and sustainable living and to work toward a world where everyone has an opportunity to have a fulfilling life without compromising the natural limits of the planet. The purpose is to engage consumers and other stakeholders with the company such that they can work together to create a better place. It’s a pretty ambitious venture. And it’s all-encompassing: promoting better lives through greater access to healthy food, clean water, responsible consumption, fair trade, zero waste, cleaner communities, and peace. That’s all—a consumer products company trying to change the world. Project Sunlight was launched on Universal Children’s Day to highlight that this mission