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Sustainable development - myth & reality

By K Jayshankar



The annual Davos meet of the World Economic Forum is over. This year's exploration centered on the theme of Improve the State of the World: Rethink, Redesign, Rebuild, but with the speeches done, and the head honchos going home, will it be business as usual for those who claim to have the world's interest in mind?

That is the primary worry for the rest of us who are waiting for the world to be re-designed and re-built. The call for sustainable development is not new but the definition of what is sustainable development continues to be varied. But the most widely accepted view is that it is 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs.' So said the Brundtland Commission when they studied this issue at an aggregate level.

The report triggered a lot of soul searching in corporations across the world & now we see a few of them present an annual Sustainability Report. The professed goal in the enlightened corporate corridors now is the 'Triple Bottom Line'. This concept was highlighted by John Elkington in his work, 'Cannibals With Forks - The Triple Bottom Line of 21st Century Business,' where he stressed that all stakeholders should figure in a corporation's reckoning, rather than just the financial numbers. Consequently, the catch phrase today is 'people, planet, profit'.

One may wonder whether this is really a new idea - for anyone with a holistic outlook would find that the underlying principles have all along been kept in mind by many state-owned enterprises in the developing world, as they have used commercial enterprises as instruments of social change. Be that as it may, one cannot deny that to a large extent the conventional western capitalistic enterprise had truly never bothered about anything other than the single minded pursuit of profits. This has taken ugly forms including profiteering, cartelization, hoarding & other means that were considered fair in the quest for fatter bottom lines.

Therefore, issues of environment were possibly the last thing to figure in any calculation when business plans were getting built. But as the voices at the fringe kept getting louder, the inevitable happened: the awakening of the social consciences did finally happen.

The most common form of this is in the company's Corporate Social Responsibility (CSR) programmes that a large number of global firms now subscribe too. Initially they were token efforts to score public relations points but slowly in many firms there is growing desire to go for substantive actions. Whether it is pharmaceutical companies who subsidize drugs to a needy class or firms rebuilding ravaged homes after a natural calamity, or any other manner, it is evident that such initiatives are growing in number.

The best news of course is that firms are going beyond mere cheque book charity to serious employee volunteerism. More than ever before there is an awakening of a firm's collective social conscience to do more for those who are not part of the lucky & charmed circle of the haves. But cynics do abound who question these actions. Corporate altruism, to them, does not wash. What makes them vehement that a business with a conscience is an oxymoron? Every few years an Enron or a similar fiasco comes along to strengthen their skepticism of the corporate world. The recession of the last few months & the greedy lifestyle of the barons of the financial sector only serve as additional proof.

The concern becomes stronger when we see that the sustainability platform has been largely identified with only the green agenda. True sustainability goes beyond the environment to other issues like diversity, gender, social impact, rural inclusiveness, education, culture, etc. After all, it has been stressed that development is not restricted to only a few matters but has a wider impact on all aspects of human life affecting sustenance.

Which is why the doubting Thomases will raise their voices again after Davos! Such critics have already opined that western firms attempt to seek the high moral ground when under competitive attack but tend to keep quiet when the going is good for their business. It is not a secret that western firms have freely indulged in corrupt & unethical practices in developing markets to secure privileges - and then claimed to have contempt for such economies that are high on Transparency International's corruption index.

For instance, despite it's stated intention of 'Don't be Evil', Google offered to be 'practical' to be allowed to operate in China. And, now when they are threatening to pull out from China, there are enough versions that claim that Google has chosen the high moral ground in a hypocritical fashion as they were anyway losing ground to Baidu, the local Chinese alternative!

Which brings me back to the question that I was exploring in the beginning: is this for real? While the motives of Corporations may be suspect at times ('the devil quoting scriptures'), it is important not to lose sight of the real quest. Admittedly, there are global imbalances. However, the developing world has now begun to assert itself in fora unlike in the past when they meekly acquiesced when under pressure from larger, financially stronger firms with power to break governments. Today, with greater options in place (more often than not there is always a Chinese, Japanese, Korean or Indian alternative to a western model or product), a developing firm can & should make a more reasoned choice keeping in mind all angles.

Thus, for a firm under scrutiny from regulators, the media & consumer bodies the triple bottom line is no longer an option but a necessity as it enables them to be able to stand tall as a responsible company with the planet's long term interests in mind. But as of now, the goal of sustainable development is still a long road from its destination.

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