



IMS MANAGEMENT JOURNAL

ISSN: 0975-0800

www.imsca.org

Volume: 8; Issue 1; January 2016

**STRATEGIES FOR SUSTAINABLE DEVELOPMENT – DO THEY
NEED A RESTRUCTURING?**

Deepashree Chatterjee

Assistant Professor

Goenka College of Commerce and Business Administration

210, Bipin Behari Ganguly Street, Kolkata - 700012, West Bengal

e-mail: deepashree_chatterjee@yahoo.co.in

Mobile No. +919163019220

ABSTRACT

Any development made to ensure environmental, economic and social well-being for the present, but not at the cost of the future generations to come, can be said to be sustainable. Our study looks into different aspects of sustainable development and various steps taken by India to ensure sustainability of social and economic well being of the people. It peeps into the existing strategies and finds if these need a restructuring. Further, suggestions on how the existing strategies for sustainable development can be revised and revisited have been provided to ensure long term and sustained well being of the society and environment at large.

Keywords: Sustainability, social and economic well being, strategy restructuring

What is Sustainable Development?

Sustainable development in simple words can be described as achieving and maintaining environmental, economic and social well-being for the present and future (WCED, 1987). Most frequently quoted definition of ‘Sustainable Development’ is the one contained in the Brundtland Report, which defines Sustainable development as “the development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. It focuses on two important concepts – first being the *needs* (the basic priority needs of the poor) and second is the concept of *limitation*- limitation of technological, social and environmental resources. It is because of this limitation of the resources that the question of sustainability arises, as the resources which are being consumed today should also be made available for future, keeping in mind their scarcity and also the needs of today. Konar (2007, 2008) pointed out sustainability as ‘euphemism’ and a pre requisite for the very survival of human species. Shaker (2015) identified prosperity, equality along with governance; quality of life of the people; integrity of the ecosystem; environmentally efficient happiness; and management of the environment as five axes for the measurement of sustainable development. The relationship between economic development and environmental sustainability has also been explained by the inverted-U-shaped ‘Environmental Kuznets Curve’ (EKC), according to which with economic development, though environmental

pollution is increased initially, but it gets reduced ultimately as the economic development increases its pace (Selden and Song, 1994; Stern, Grossman and Krueger 1995). Thus economic well being is an important factor for environmental sustainability as well.

Few Existing Strategies for Sustainable development

A number of strategies for sustainable development have been introduced and developed worldwide and many of them have already been accepted and practiced widely. One such strategy is the famous concept of Triple Bottom line (TBL) introduced by Elkington, which visualizes the famous People, Planet and Profit triangle and has also played a crucial role in shaping initiatives such as GRI (Global Reporting Initiative), reporting on CSR (Corporate Social Responsibility), etc. The concept incorporates social and environmental dimensions of performance along with the financial dimension. Elkington has also tried to show that there are seven revolutions (markets, values, transparency, life cycle technology, partnership, time and corporate governance) from TBL which tries to harmonize the traditional financial results with environmental quality and social equality. He advocates that *markets* should move from compliance to competitive which would lead to more innovations. Company *values* should shift from quantity to quality aspect and where long term reflections become obligation. They should develop *transparency* in its activities for which corporate reporting becomes an important tool. These companies should be made responsible for the entire life cycle of their products and its functions in the society, i.e. Life Cycle Technology should shift from product to function. Developing *Partnerships* and building trust is also important in economic relationship. Companies should keep in mind the *time* dimension and have long term view and foresightedness of sustainability. And finally *Corporate Governance* and its reporting should be inclusive and integral part of company activities.

But the question that arises is that are these strategies working absolutely fine in the present context or they need to be restructured and re-energized?

Do the existing strategies need restructuring? A detailed look at the present scenario

There are still many countries where reporting for Corporate Social Responsibility are not obligatory. There are also companies which manipulate information and hide material facts so that the financial reports do not provide a true picture, neither does corporate reporting detect frauds and

errors always. Further, if it goes undetected immediately, most of such cases filed in the court of law takes years before the court finally comes to a decision and by the time an action is taken, much is lost by the society. Many a times only fines are imposed, which cannot compensate some irreparable loss to the society such as accidental death or permanent disability caused to employees due to lack of proper safety measures taken by the company, permanent degradation of environment due to lack of proper pollution control techniques, etc.

There have also been a number of measures taken by the government of different nations to ensure economic and social well being of people. Talking from Indian perspective, the recent “Make in India” and “Skill India” strategies, conceptualized by the Prime Minister of India, Shri Narendra Modi, to fulfil the purpose of job creation, boosting the national economy, making India a self-reliant country and to give the Indian economy global recognition is a welcome change. But for its proper implementation and for ensuring a sustainable economic and social development, a number of other changes should also be incorporated. According to National Skill Development Corporation, India (NSDC), the number of people with skills required for an economy to grow at a 10-12 percent growth rate is much higher than those available. According to NSDC survey of skills gap, even when the industry was at the height of recession in 2009-2010, it was predicted that over the next 12 years, India needs 240 million people just to maintain the current growth rate. The entire education system only produces 12 million graduates and another 4.3 million people come out of the education system as skilled people in a year. Thus there exists a wide gap between the expected requirement of skilled resources and those which would be available to achieve higher growth rate.

What type of restructuring of the existing strategies is needed?

First of all, the present strategy of imparting education and developing skilled people needs to be redefined. The present education should be more practical based than mere theories. There should be a proper training for skill development and there is a need to make available more opportunities for vocational training to make people financially independent and technically skilled. Different organizations should come forward and help in building this pool of skilled professionals. The government has also taken initiatives and formulated National Policy on Skill Development with a target to train 500 million people with requisite skills by 2022. The Institute of Cost Accountants of

India has already started running a programme CAT (Certificate in Accounting Technicians) to develop necessary skills among students to apply theoretical knowledge of Accounting to practical situations. Along with such combined efforts by different organisations, the bureaucratic system of government must be changed and proper accountability should be created. As rightly highlighted by PM Narendra Modi, the “ABCD” culture of Government, i.e “Avoid, Bypass, Confuse, Delay;” needs to be changed to the “ROAD” i.e, Responsibility, Ownership, Accountability, Discipline for success.

The introduction of the 'Make-in India' as the new strategy for development under which national as well as multi-national companies are encouraged to manufacture their products in India, has further made government take a few important steps. The FDI limits in various sectors have been increased, like 100% FDI is now allowed in railways, while FDI in defence increased from 26% to 49%. FDI would not only provide much needed finance, but also access to foreign technologies with which goods can be manufactured indigenously thereby reducing the imports. Further, apprehensions that increase in FDI limits in retail might lead to creation of monopolistic power and drive out the small local shops does not seem to be true in context of India, specially if innovative ways are adopted to increase sales by these small stores (Chatterjee, 2013). Research expenditures have been increased including higher remuneration for research fellows to encourage innovations and R&D activities in India. This is a major step towards generation of new employment opportunities and retaining intellectual minds in the country. This has also been a major step taken to reduce military imports and to help our nation be self-reliant by developing defence equipment in-house.

For sustainable development of environment, innovations are inevitable. New eco-friendly technologies have to be developed. While use of hydro power for electricity generation or use of solar energy for running vehicles are a welcome change, use of solar lights and LEDs have also played a significant role. An LED bulb can cut energy consumption by over 80% when compared to conventional light bulbs. A US Department of Energy Study found that LEDs installed in 2012 saved around \$625 million in energy costs, and if every American could replace one conventional bulb with an LED, the energy savings could light an estimated 2.5 million homes! The increased use of LEDs in the economy, including that of India, is definitely a very positive change towards sustainable development. Many Indian companies like SYSKA, HAVELLS, EVEREADY along

with some new emerging companies like Greenlid have already come up with many new varieties of these energy saving bulbs. But its sustainability would again depend on the mindset of the users as these are generally more expensive to normal bulbs. So it is ultimately 'we' who can really make such positive change sustainable and continuous by giving our full cooperation.

In our everyday lives too, we should restrict the use of non-renewable resources as much as possible. Public transportation should be used wherever possible and government should go for route sensitization so that maximum people can avail the benefits. Electric buses should be introduced. Where it is difficult to avail public transport, pooled cars should be encouraged instead of a sole person using a car to commute. This would not only reduce congestion on the roads and help in controlling pollution, but also save the usage of non-renewable sources like petrol or diesel.

Wastage of resources should be strictly avoided. While we talk of social and economic sustainability on one hand, we waste food in our every day lives. Though some countries like Germany have already come up with laws imposing fines on those who are found wasting food, such laws still awaits implementation in many others. There should be strict anti-wastage food policies in each restaurant and government of each and every nation should enact laws imposing fines for wastage. It should be kept in mind that though the price paid for buying the food may belong to the individuals, but the resources used for growing and making them belong to the society.

Conclusion

Though government and various institutes have come forward and started taking a number of measures to contribute to the social and economic development of the country along with various efforts to ensure environmental sustainability, any strategy for sustainable development would be a success if and only if there is a willingness and determination to implement and adopt these measures. The first thing to re-energise and restructure is our mindset if we really want to attain a sustainable development. When we change ourselves, we change people around us and society as a whole. We should work together and support all the changes made for environmental, economic or social growth. We need to reach ourselves and change ourselves first to ensure a prosperous

economy, a healthy society and a beautiful green earth to be enjoyed by us and our future generations to come!

References:

- Brundtland, G. (1987). Report of the World Commission on Environment and Development: Our Common Future. United Nations General Assembly document A/42/427
- ‘Cannibals with Forks: The Triple Bottom Line of 21st Century Business’. *Choice Reviews Online* 36, no. 07 (1 March 1999): 36-3997-36–3997. <https://doi.org/10.5860/CHOICE.36-3997>.
- ‘CAT of ICAI (India) – Academy for Future Professionals’. Accessed 12 November 2015. <http://www.afpstudies.in/courses/cat-of-icai-india/>.
- Chatterjee, D.(2013). FDI-A way to Economic Development in Post-Globalization Era. *Research Bulletin*, 38, 46-55
- Elkington, J., Rowlands, & Ian, H. (1999). Cannibals with forks: the triple bottom line of 21st century business. *Alternatives Journal; Waterloo*, 25(4), 42-43. Retrieved from <https://search.proquest.com/openview/804cc9d98196ef6e26d88748e89f8db0/1?pq-origsite=gscholar&cbl=35934>
- ‘Finding “P” in CSR Entails Corporate Restructuring | Triple Bottom Line Magazine’. Accessed 11 November 2015. <http://www.tbl.com.pk/finding-p-in-csr-entails-corporate-restructuring/>.
- Grossman GM, Krueger AB 1995. Economic growth and the environment. *Quarterly Journal of Economics*, 110: 351-377.
- International Institute for Sustainable Development. ‘Sustainable Development’. Accessed 08 November 2015. <https://www.iisd.org/about-iisd/sustainable-development>.
- Shaker, R. (2015). The Spatial Distribution of Development in Europe and Its Underlying Sustainability Correlations, *Applied Geography*, Vol. 63, September 2015, 304-314. <https://doi.org/10.1016/j.apgeog.2015.07.009>
- ‘The Triple Bottom Line: What Is It and How Does It Work?’ Accessed 29 October 2015. <https://www.ibrc.indiana.edu/ibr/2011/spring/article2.html>.

- Konar AK 2007. Gender instability: A threat to human sustainability. In: S Sarkar, N Narayana (Eds.): Gender Development: Dimensions and Policies. New Delhi: Serials Publications, pp. 248-263.
- Konar AK 2008. Emerging Threat to Sustainability of Goddess's Groves: An Empirically Ethnoecological Observation in the Tribal Communities of Purulia District in West Bengal, India. A Minor Research Project Sponsored by the University Grant Commission of India, Kolkata
- NANDY, D. (June 2015). FROM THE EDITOR'S DESK. *the Management Accountant*, 50(6), pg 6
- 'Narendra Modi Appoints Sarbananda Sonowal Minister for Skill Development, Entrepreneurship - The Economic Times'. Accessed 20 November 2015. <https://economictimes.indiatimes.com/small-biz/sme-sector/narendra-modi-appoints-sarbananda-sonowal-minister-for-skill-development-entrepreneurship/articleshow/35630234.cms?from=mdr>.
- Our Common Future. World Commission on Environment and Development Oxford University Press, Oxford (1987)
- Selden TM, Song D 1994. Environmental quality and development: Is there a Kuznets Curve for air pollution emissions? *Journal of Environmental Economics and Management*, 27: 147-162.
- 'Use LED Light Bulbs » Sustainability » Boston University'. Accessed 17 November 2015. <http://www.bu.edu/sustainability/what-you-can-do/ten-sustainable-actions/use-led-light-bulbs/>.