Sustainable Business : A Tangible Reality

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Defining Sustainable business

The word `sustainability' comes from the word `sustain' which means to support[1] or to maintain something necessarily for the long term. This means to maintain something and take care of its attributes so that the benefits could be carried forward with no loss with profit on an average. This concept is more about harnessing the qualities of guardianship rather than mere caring in the long run. However, to `sustain' something means constant enhancement, so that the organization or process or product synchronize its properties in the changing environment.

The term `sustainability' when connected with human development is called `sustainable development'. Sustainable development regards human progress as a process which incorporates interests of the future generations too with preservation and conservation of natural environmental as a vital element. The term **'sustainability'** has been understood in many literatures such as:

(1)   From Developmental side: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs[2].

(2)   From Socio-Economic side : as a concept of three pillars[3] (economic, social & environment).

(3)   From Socio-Environmental side : as concentric circles with environmental sustainability enveloping both social and economic elements[4] and

(4)   From Environmental side : as improvement of living standard within the carrying capacity of the ecosystem[5].

In the light of the above varied dimensions of sustainability, let us visualize how business operations amalgamate with this concept. It is quite noticeable that business has many sides (economic, social developmental & environmental), so business sustainability could no longer be hypothetical.

In the first definition the future generations had been considered to be a potential stakeholder of business. Here, business operations are suggested to be driven in such a way that also

envelops the aspirations of future generations. According to the `Brundtland' definition, a sustainable business should be aware of the resource usage in such a way that neither the present nor the future generations face scarcity. Hence, it could be said that somewhere sustainability of business (according to the Brundtland definition) is dependent on the needs of the present and future stakeholders. Following this definition businesses initiative for development involving business would be merely voluntary and only need based.

The second aspect (social, economic and environmental business dimensions) of pillars calls for bringing equilibrium among three basic premise of sustainable business (profitability, society & environment). This definition seems to have given same weightage to all stakeholders of business (making environment as a vital stakeholder). Nowadays, this concept has been incorporated as a Triple bottom line[6] reporting initiative in many sustainability reports. This definition is more of an explicit admission (from the previous one) that natural environment concerns forms an important backbone of any business which even thinks of being sustainable. The third definition (of concentric circles) shows that natural environment forms the bedrock of sustainable development. The definition also expresses that natural environment is an inclusive concept which in the process incorporates many parties towards developmental work. These definitions show that there cannot be a trade-off between pure anthropocentrism and hardcore bio-centrism when question of sustainability arises. Quite obviously a best-fit model is required to judiciously choose among human-centric and bio-centric ingredients to make a business sustainable. So, from the definitions we may derive that sustainability of business would never be possible if companies behave irresponsibly and indifferent towards natural environmental concerns.

In the same vein the concept of Sustainability in business has been understood in many ways depending on the corporate objectives of companies. A sustainable business is one which balances profitability and social equity with environmental pro-activeness. Recent survey[7] has shown that there are many drivers which help sustainable business, such as government legislation, consumer concerns and employee interest. Also other studies[8] have shown that governance, social and environmental issues have a deep influence among all stakeholders for all durations of business. So sustainability in business in a holistic sense would mean putting business as one of the guardians of human wellbeing as well as the natural environment. From the point of procurement of raw materials, to processing and finally to output of product or service; if a company tries to balance and prioritize the governance, social and environmental issues; then it may attain sustainability and called as sustainable. However, the meaning of sustainability has various connotations depending on the societal structure, the profitability motives and also the natural environmental setups of business. Environmental concerns are the only (according to the previous definitional discussion) research finding in all studies which holds the key for businesses to become sustainable in the long run. However, when the question of natural environment arises, it is the responsibility of a company (for its own existence) to optimally use the natural resources and not pollute it. If business is not particular about natural environment then people and planet co-ordination would worsen. Hardcore profitability initiative would pollute the eco-system and eventually make the life of human stakeholders at a stake.

International Pressures towards sustainability

In such a pursuit the international community (especially the UN) many a times organized summits such as the Montreal protocol[9], 1987 (for awareness of the ozone layer depletion

and reduction of the CFCs). The Kyoto protocol[10] (2007) tries to minimize the man-made interference towards natural environment. The plan was to reduce and arrest the growing trend of greenhouse gas emissions which has been a problem since 150 years of industrialization. As a continuance of the UNFCC convention the Protocol was framed in 1997 in the COP 3 in Kyoto, Japan. The impetus of the protocol was to limit the CO_2 emissions of developed countries by at least 5%. The countries emission reduction target was set with 2008 to 2012 with 1990 taken as the base emission year. The Protocol created an "emissions trading" regime allowing industrialized countries to buy and sell emissions credits within themselves. The developed nations would be able to get "emission reduction units" by financing projects in other developed countries through a mechanism called —Joint Implementation". The Protocol also has a provision for "Clean Development Mechanism" for promoting sustainable development, this enables industrialized countries to finance emissions-reduction projects in developing countries and also receive credit. However, within all the fanfare of the protocol the Bush administration refused to ratify it in 2001 because according to them the question of emission cuts would hurt the economy as clean technology transfers need huge investments.

However those who study climate change express almost universal criticism of the protocol, which they fault as economically inefficient, inequitable and ineffective. And they point out that the protocol fails to include the largest future sources of carbon dioxide emissions. A very significant reduction in the standard of living is required by the developed nations and that our planet cannot support a human population where every person enjoys a standard of living equal to that of developed nations. The agreement outlined in Kyoto committed individual countries to reduce their carbon dioxide emissions to below 1990 levels. However, the choice of 1990 immediately introduced inequities into the ensuing political process to determine who should cut how much. With a completion date of 2008—the Kyoto Protocol mandated economically inefficient measures to achieve its goals. There are other problems with the agreement that it gives credit for planting forests to sequester carbon, however, that provides economic incentives to destroy wetlands. The Protocol does not set a long-term goal for atmospheric concentrations of carbon dioxide. Hence, no objective reason for the overall reductions by individual nations that it proposes. The COP15[11] in December 2009 will give way to a new international treaty as Kyoto protocol would expire in 2012. The conference is being organized from 7-18th of December 2009 in Copenhagen and hosted by the Danish government. Officials from 192 countries are attending with a sizable number of non-governmental organizations and a large media presence. All the controversies and uneasiness reflected on the part of developed and developing countries regarding the protocol are supposed to be resolved there. The key issues somewhat to be resolved in COP15 are the extent of reduction of emissions by the industrialized countries, the amount by which developing countries such India, China going to limit emissions, the question of financing of clean-technology to developing nations and the way that money would be managed.

Indian initiatives towards sustainable business

After a long phase of denial, there are some signs that national policy is beginning to acknowledge global concerns on this all-important issue. Climate change is now widely regarded as the most serious challenges the world faces, with dire consequences. It is a key economic issue and needs to be dealt with accordingly. It is in this context, the Prime Minister of India on 30/06/2008 released the National Action Plan on Climate Change. This plan seeks

to promote and encourage sustainable development through use of clean technologies. The action plan, while it does not commit to GHG emissions reduction targets it does pledge that India's per capita greenhouse gas emissions will "at no point exceed that of developed countries in spite of it development imperatives.

India's response to the challenge of climate change can perhaps best be described by referring to the National Action Plan on Climate Change[12] (NAPCC), which actually consists of eight separate missions involving both mitigation and adaptation measures.

In terms of cooperative relationships that India is trying to establish, the most promising would be in the field of joint technology development. It is envisaged that with the substantially lower cost of scientific and technical manpower in India, even American business will find such an approach beneficial.

Aggressive measures are necessary to reduce emissions and raise efficiency in areas such as power generation, transmission, and lighting, building practices, transport, forestry, water and waste management.

The Copenhagen conference may end with only a `political' agreement on reduction of carbon emissions beyond the Kyoto Protocol period. Yet it offers India an opportunity to formulate a green development policy that takes care of the carbon regime of the industrial revolution. Wind, water and solar energy (derived using available technologies) have the least impact on global warming. They can help taper off fossil fuel use and meet the bulk of energy demand in the future. This is the green growth that India should aspire for. With political commitment, it is possible to develop a research and production base for cutting-edge technologies and fast-paced innovation. It will also lay the foundation for a new wave of green jobs.

Apart from the isomorphic pressures for Indian business, the country where developmental problems of population, scarce resources and pollution are ever increasing, business's role should be considerably widened as one of the stakeholders (apart from Government, NGOs or social pressure groups) for development. Indian business houses such as Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) have played the role of facilitator in formulizing practicable sustainability roadmap for companies. CII, for instance, has developed collaboration with local Government and companies to develop CII-Sohrabji Godrej Green Business Centre[13] and the CII-ITC Centre of Excellence for Sustainable Development[14]. The CII-Sohrabji Godrej Green Business Centre initiates activities such as climate change awareness, use of recycled products, more use of renewable energy. This -Centre of Excellence has the vision of-make India a leader in green businesses by 2015. In pursuit of the vision, appropriate stakeholders for green business are identified and accordingly skills are developed. On the other hand the CII-ITC Centre of Excellence for Sustainable Development strives to make a secure environment for businesses to pursue sustainability activities and also to integrate all such activities into business processes, strategies and policies.

On studying the environmental, sustainability reports, strategies and policies of companies from diverse sectors many things could be comprehended (such as the ways to attain total sustainability of business). Companies such as ABT Bioproducts[15] specialize in Organic farming, bio-fertilizer, plant growth promoters and soil fertility enhancers. Aditya

Birla Group[16] pursues sustainability based "sustainable Livelihood. After a participatory assessment of the communities around the plant social projects are launched. These are phased out as soon as the people take over the reign of development. The company's partnership is with administrative bodies, like-minded organizations and Govt. 5 year plans. In the same vein FAB India[17] (which is an urban handicraft retail chain) is maintained by local craftsmen & artisans. Cleanstar energy[18] is involved into cultivation of non-edible plants and trees to produce alternative fuels. DABUR INDIA[19] Ltd initiated some significant programs for ecological regeneration and protection of endangered plant species. The company is committed to ecological conservation and regeneration. Uses state-of–the-art technology to preserve, produce and also encourage the local people to cultivate rare herbs. Hindustan Unilever[20] Ltd. attempts to operationalise environment policy at the plant level (in products, design and production). Strive to increase the understanding of environmental issues and disseminate good practice, also, providing women empowerment, relief for poor and other benefits. Infosys[21] provides solutions for social and environmental concerns also tries to eliminate accidents, occupational illnesses and injuries at work.

Takes the following initiatives:

•   Strives for conservation of resources.

•   Prevention of pollution is stressed.

•   Confirms to all legislations.

ITC[22] Ltd. Promotes `e-choupal': (one of the biggest social convergence initiatives) which connecting farmers directly to markets through internet (giving the best technological knowledge and skills, and good prices), thereby avoiding middlemen who cheat farmers. Jindal Steel[23] helps in providing areas of education, health and infrastructural facilities, free housing, subsidized meals, free transport, medical benefits. From the operations view point the company is vigilant in cost reduction, resource efficiency in steel production. Larsen & Toubro[24] has taken sustainable initiatives in the following: heath, education, environment conservation, and infrastructure and community development. The company has gained expertise in construction technology, electrical products which are resource effective. Maruti India[25] has shown much sustainable improvements at the process (or plant level), such as, improved component designs with an objective to reduce raw material usage, fuel-efficiency, environmental innovations at product level & at production area. Oil companies such as ONGC[26] India is involved more of technical integration of natural environment into business. Stresses on use of cleaner technologies and follows the Kyoto Protocol. Reliance Industries[27] Ltd. helps in promoting training for employees and enhancing their responsibilities towards environment. They follow relevant laws, reduce emissions and encourage recycled products. Another initiative is that they promote awareness among their supply chain and employees and customers about nature.

Conclusion

The above discussion show that Indian companies from various sectors have tried to be environmentally safe, socially committed and striving for new `greener' profitability. However, as Corporate Social Responsibility (CSR) the `business sustainability' concept is subject to many interpretations. The joint goal of these two concepts is doing well to all

present and future stakeholders within the constraints of business operations. The CSR concept is more of static in nature. It talks more of social improvement and developmental capabilities of a company. CSR is more of an anthropocentric concept. Whereas, Business sustainability or sustainable business makes CSR a dynamic entity, just merely by respecting the natural environment and showing concerns to present and future generations. So, need of the hour is to develop such an understanding which makes both the concepts converge into something fundamental.

There should be something unique (an activity, a strategy or a business operation) to benchmark and differentiate a CSR doing business with a sustainable business. From the different definitions of sustainable development (as discussed in the beginning) we get two traits; one: need based anthropocentric approach and second: pure biocentrism. In the first strand of traits we come across the need for resource mobilization and this allocation would be obviously human driven. Thus, satisfying the needs of the future generations require judicious use of limited resources at the present time. This demands the use of such resources which are recyclable, economically viable and renewable, and supplements the conventional ones. So, sustainable business should have such uniqueness that the company must be judicious in the use and conservation of material resources. The second strand of traits is on the policy and strategy level which would drive the first trait (i.e. need based anthropocentric approach). According to the second trait, a sustainable business should frame or must be following `green' policies or strategies for the best resource allocation and optimal use of scarce ones. These policies should not only focus on preservation and conservation but extend to green innovations. So, biocentrism in the policy level and anthropocentrism at a particular process level (procurement stage) could show the seed of sustainability in business.

End Notes

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