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Sustainability Development in India: Warning To Global Warming?

For centuries, man has been exploiting natural resources in every possible way. Initially, the exploitation was for meeting his basic needs. As time passed by, man's needs turned into desires, instilling greed in him. Industrialisation and technological revolution added fuel to fire as demand for natural resources increased. The changing times and the pace of change motivated companies to exploit natural resources and co-human beings as well. However, as this attitude of companies began to take a toll on the environment, employees and society at large, they came under public scrutiny. Government, media, social and environmental activists, shareholders and many other parties raised their voices against the companies that encouraged hazardous and unethical practices. In this context, in 1987, the term sustainable development was coined, embracing the three dimensions of sustainability – environmental protection, economic growth and social equity.

The basic idea behind sustainable development was that the current development must not compromise the ability of future generations to develop. As such, to ensure this objective, governments of various countries began to scrutinise the activities of companies under three dimensions of sustainable development. Few governments even made the sustainability reporting mandatory (http://www.yale.edu/empresainforma/filebin/brief2.pdf). Realising that overlooking these issues can cost them in the form of tarnishing brand image, slashing sales and falling revenues, etc., companies began to incorporate sustainable issues in their corporate strategies. Global companies also revised their business models on the lines of sustainable development.

But, all these changes were taking place at the international level. What about the Indian companies and their performance on sustainable issues? Of late, even Indian companies are not behind in the race of sustainable development. With the growing significance of sustainability issues at the global level, corporate India is also embracing them in its business operations. Indian conglomerates like ITC and Tata are in fact enhancing their competitiveness by focusing on sustainability. ITC's innovative business model, e-Choupal is one such vibrant example of how the company created opportunity for rural farmers to have a sustainable living, which in turn benefited the company to eliminate unnecessary supply chain costs. Moreover, Indian companies also understand the result of ignoring sustainable issues (http://www.financialexpress.com/news/mapping-how-corporate-india-is-converting-climate-change-risks-into-biz-opportunities/401247/) on their businesses.

However, the British Telecommunications Plc.'s assessment of Indian companies on sustainable issues revealed that the overall performance is not satisfactory when compared with companies from European Union, China and Japan (http://www.btplc.com/Societyandenvironment/Betterworldforbusiness/BTSustainableDevelopmentIndex/BTIndia08.pdf). According to their findings, although Indian companies are proactive towards sustainable issues, there are still many issues – inclusive employment, education, employment creation, health, corporate/government collaboration, land and displacement, natural resource management, climate change, corporate governance, solid waste and water – to be addressed by them. In fact, Indian companies are failing to come out with innovative approaches for addressing sustainable issues. They are facing the challenge of integrating sustainable issues into their corporate strategies. Besides, several other challenges like lack of technical know-how, R&D, lack of coordination with the government, etc., are obstructing them from dealing with sustainability issues. However, in the light of growing awareness of sustainable development globally, the need to deal with sustainable issues is very high among the Indian companies. They must look beyond the conventional ways of running a business and adopt sustainable strategies. Along side, they must also be transparent about the economic, environmental and governance practices. Companies must make triple bottom or sustainability reporting mandatory for themselves.

So let's see in what ways Indian companies will enhance their performance on sustainability issues. Will Indian companies be global leaders in sustainable development?

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