



# Drivers of Economic, Social and Environmental Dimensions of Sustainability

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## Introduction:

**M**oving from the terms like survival and existence, growth and development to those of the likes of sustainable development and sustainability, the journey has been spread over not just a few good centuries but even more.

While the initial nomadic behaviour of human civilization was rooted on the focal points of survival and existence and the utilization of natural resources available in a particular location over a period of time, it is only with the spiralling growth in population and the urge to make settlement on the lines of culture that avenues for judicious utilization of resources were explored.

If history is to be studied, believed and researched, the concept of a futuristic approach, the fear of depletion of natural resources given the population surge, was more of a theoretical concept worth philosophical deliberation and discuss in the academic arena than a burning issue worth according serious thought.

And while, the concept of Sustainable development appeared for the first time in 1987 with the publication of the Brundtland Report, warning of the negative environmental consequences of economic growth and globalization, trying to find possible solutions to the problems caused by industrialization and population growth, it is only in the better part of the 21st century that with the establishment of international organisations of the likes of United Nations and its allied institutions and organisations that the realities of the past, present and future were accorded significance with full gusto and steps for the protection of environment or even towards a sustainable future were initiated.

Later on, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development and 17 Sustainable Development Goals (SDGs) as a universal and transformative development strategy. The 2030 Agenda commits the global community to “achieving sustainable development in its three dimensions – economic, social and environmental—in a balanced and integrated manner”.

Quoting the words of the Hon'ble Prime Minister of India, Shri Narendra Modi from his address at the UN Summit for the adoption of Post-2015 Development Agenda, “Mahatma Gandhi had once said, “One must care about the world one will not see”. Indeed, humanity has progressed when it has collectively risen to its obligation to the

world and responsibility to the future. Seventy years after the end of a tragic war and birth of a new hope for our age, we are meeting to chart a course for our humanity and our planet”.

## Sustainability And Sustainable Development

Sustainability as a matter of fact is the continuity of current positive efforts into the future with unending supporting efforts from all walks of life. More so, it is meeting the needs of the present without compromising the ability of future generations to meet their needs. The concept of Sustainability which rose out of the movement that started as a concern to industrial pollution and natural resource depletion, with the advent of time merged with the movement to promote economic development.

While the global norm witnessed the stronger nations helping the weaker ones by disaster relief, technical equipment and loans, the same led to a tilt of the power and decision making on international forums as a result of the growing dependency of the

latter on the former. The economists and leaders of the world soon realized the usefulness of sustainable development than spoon feeding to acquire undue advantage by stronger nations.

If the concept in itself is to be understood threadbare, 'Sustainability' is more about social principles of futurity, equity, and participation in the economies to achieve Sustainability in the socio-economic domain. However, it is not limited to just a single aspect of environmental protection or economic growth or social development, but is rather spread out in all the three dimensions, *i.e.*, Economic, Social and Environmental. Economic Sustainability implies to the system of producing goods and services satisfying the present consumption level without compromising on the future needs. Social Sustainability demands the presence of a system establishing connection social organization that alleviates poverty. Environmental sustainability requires maintaining natural capital as both a provider of economic inputs called 'sources' and an absorber called 'sinks' of economic outputs called 'wastes'.

Each of them while having individual presence, meaning, definition and significance cannot survive and thrive in mutual exclusivity. A comprehensive coordination of Economic, Social and Environmental sustainability is required thereby calling for the three to be integrated

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and interlinked and the significance of their collaboration is such that none of the three, if pursued in isolation, can support positive change to sustainable development. However, it is the integration and interlinking of Economic, Social and Environmental sustainability which can guarantee development in real sense.

The conventional approaches to economic growth of “grow first, clean up later” have placed the futures of regional economies and societies at the threshold of dire risk. However, the modern-day forward-thinking policymaker is entrusted with the task of promoting development with an eco-efficient approach and simultaneously, yield more inclusive gains in human welfare and socio-economic progress. The approach in other words would be referred to as that of sustainable development. Sustainable development is necessarily “People-Centred and Planet-Sensitive”, guided by values of equal rights and social justice, enabled by proactive states and well-functioning institutions, and shaped through the participation of empowered populations.

Though the understanding has dawned upon the entire world that longevity and futuristic approach calls for sustainable development, a lot remains to be accomplished in this regard. Corporates, business enterprises or for that matter any entity has to function in a manner supporting not just the long-term visions, missions and goals of the entities in particular but also keep in sight the impact of these activities on the health of the nation and the world.

### Indian Case Of Sustainability

To quote Lars Ronnas, Swedish Ambassador for Climate Change, “India has the “intellectual capacity” and potential to be a model for the rest of the world in tackling environmental issues, especially through the use of renewable energy sources”.

From a promising start in the 1950s, to challenging times in the 1970s to the phenomenal growth in the last two decades, India has come a long way since independence in 1947. The national planning process in India is based on the assessment of the country's material, capital and human resources and to formulate a plan for inclusive and balanced growth. This is captured in the country's Five Year Plans and further translated into various programmes and schemes with the aim of achieving inclusive growth and provide for social and economic opportunities for the people. Consequently, the social sector in India is replete with a variety of development initiatives introduced and managed by National and State Governments.

In the Indian corporate scenario, the National Voluntary Guidelines on Social, environmental and Economic Responsibilities of Business brought out by the Ministry of Corporate Affairs promote following ethical business practices, producing sustainable goods and services, caring for employee well-being and being responsive to customer demands will lead to new customers and business partners and increased loyalty from existing customers leading to higher revenue growth and new market access. It is evident that their adoption will lead to increased efficiency gains across the value chain, higher worker productivity and reduced risk of litigation will bring in greater cost savings and increase profitability. Further, promoting human rights, good governance, ethics, transparency and accountability will be seen positively by NGOs,

local governments and regulators thus giving a company the social license to operate.

### Corporate Sustainability

While each entity in the world, big or small, has a role to play, in the sustainability scenario prevailing and surrounding us, the role played by corporations is more than immense or humongous. It is for this realisation that terminologies of the likes of corporate sustainability have been coined and used.

Starting with a company's value system, Corporate Sustainability is a principles-based approach to doing business which implies operating in ways that, at a minimum, meets fundamental responsibilities in the areas of Human Rights, Labour, Environment and Anti-Corruption. Responsible businesses enact the same values and principles

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wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

Derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption, the Ten Principles of the United Nations Global Compact cover areas like Human Rights, Labour, Environment, and Anti-Corruption.

All these areas can be aggregated and segregated to provide for three dimensions: Economic, Social and Environmental dimensions of sustainability.

### Drivers of Sustainability:

Sustainability in the corporates is driven by the urge to improve brand image, build trust, and build reputation; save money, increase employee satisfaction, engagement, and retention, foster a good public image, manage risk and regulatory compliance, improve operations, demonstrate corporate social responsibility.

However, for an entity to be successful, it is critical to gain an understanding of the broad

reasons an organization might have for pursuing sustainability initiatives of which one of the key reason is to identify and understand the drivers that facilitate progress as well as the barriers that may slow the journey, increasing the likelihood of satisfaction of organizational goals and maximization of corporate success.

While on one hand sustainability has its set of drivers, each of the dimension mentioned above (economic, social and environmental) has its own set of driving factors or drivers which determine the sustainability scenario, be it at corporate, national or global level.

### Drivers Of Economic Dimension of Sustainability

The Economic and Social dimensions of sustainability directly and

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indirectly affect the Environmental dimension of sustainability. Majority of businesses across the world, exist only to make profits; so in the absence of a healthy economy, they won't be economically sustainable and hence would cease to exist. Then also, the greed to economic supremacy has led to an unending race of production and technology advancement.

The private sector is bound by market forces to invest only in economically viable projects, and with that a settled fact, public authorities are required to create a balance that ensures sustainable development, either by imposing rules and regulations or by allocating incentives that drive operators and consumers toward environmentally friendly and thus, sustainable behaviour.

Environmental initiatives are not yet seen as an investment that pays off in monetary terms. However, with the passage of time, customers will not be the only ones to ask for environment friendly products and initiatives; the financial community, too, will also start measuring companies and their leaders by their ecological behaviour along with their economic behaviour. Therefore, to be successful in the long term, it will not be enough for corporates to opportunistically engage in green branding campaigns. Rather, the time and the altering global scenario shall demand companies to establish initiatives that have a measurable positive and long-lasting impact on the environment - creating value not only for the customers, or the industry, but for the society as a whole.

### **Drivers of Social Dimension of Sustainability**

Of the Ten Principles of the UN Global Compact, a majority, i.e., six (6) principles focus on the social dimension of Corporate Sustainability, of which human rights is the cornerstone. Social Sustainability not only considers human rights in generality but also covers human rights of specific groups; raising and addressing issues pertaining to Labour, Women Empowerment and Gender Equality, children, indigenous peoples, and people with disabilities, while also undertaking a people-centred approach to business impacts on poverty. As well as covering groups of rights holders, social sustainability encompasses issues affecting them, for example, education and health.

The social drivers of sustainable development present six sets of issues that tend to be neglected or insufficiently addressed in contemporary debates about sustainable development. The United Nations Research Institute for Social Development (UNRISD) through its research demonstrates how these factors have often been essential underpinnings of inclusive and sustainable development in different contexts:

- Social policy as a driver of transformation
- Social reproduction and the economy of care
- Equality of opportunity and of outcomes
- Employment-centred economic policy
- Social and solidarity economy
- Empowerment, effective participation and accountability

A socially sustainable work environment promotes the functional capabilities of its employees, its business partners and societal stakeholders (Kira and van Eijnatten, 2008). Socially sustainable organisations look out for the well-being of their employees, in developed countries the basic safety at work is almost guaranteed, but in other parts of the world this is far from the case; child labour, no

minimum wages and even further unsafe work conditions make it dangerous to work.

The primary duty of governments is to 'Protect, Respect and Fulfil' and progressively realize human rights; yet it is not only imperative of businesses but the need of the hour to do their part. At minimum, we expect businesses to undertake due diligence to avoid harming human rights and to address any adverse impacts on human rights that may be related to their activities. In an attempt to play their role to perfection, businesses can also take additional steps:

- Contribute in ways to improve the lives of people they affect; by creating decent jobs, goods and services that help meet basic needs, and more inclusive value chains.
- Make strategic social investments and promote public policies supporting social sustainability.
- Partner with other businesses, pooling strengths to make a greater positive impact.

### **Drivers of Environmental Dimension Of Sustainability**

The environmental Sustainability quotient in the nation as well as the world is very much aligned with the green initiatives taken by corporates. That said, to successfully embed a green strategy within the structure of an organisation, the selected environmental initiatives need to be aligned with the overall corporate strategy, the company's business objectives and its culture on the whole.

Industries contribute between 70% and 95% of environmental impacts worldwide. As the impact is so high, it is imperative that industries understand that good environmental performances and compliance of the entire supply chain must be ensured.

Needless to say, some areas of activities have a large impact on the environment which can be altered to suit the greater interests of the society. There is a long list of possible drivers that can influence organisations to be more or less sustainable, understanding these drivers is an important step for a company to know why they need to change and what areas do their stakeholders want them to improve as far as sustainability is concerned.

A major driver of environmental dimension of sustainability is safeguarding the environmental framework of the nation. Objectively a nations' environmental sustainability has to be such that it meets the needs of the present without compromising the ability of future generations to meet their own needs. Enhancing efficiency in the use of materials and resources is one of the main goals of the environmental dimension of sustainability.

Being sustainable is currently a happening trend, which has resulted in majority of organisations/corporations aiming towards being more sustainable and adopting green products in consumption and production. However, different sectors of business have different impacts and concerns when it comes to Environmental Dimension of Sustainability. There are various concerns such as reducing the amount of waste, using renewable materials and energies, reducing business related travelling and reducing the carbon impact of the activities. This also calls for minimizing the emission of carbon (Carbon Footprint concept).

Other lesser discussed practical environmental concerns include but are not limited to time taken in accomplishment of activities; maintenance & downtime; and testing equipment. These activities have a bad environmental impact as each industry has an

“overhead” environmental impact, it consumes resources such as energy permanently, and when it is not producing, the resources are used with no added value.

With a cautioned objective to produce more commodities and continued well-being for a nation along with the effect on the global usage of the limited amount of resources, the concept of eco-efficiency is utilized for the promotion of ecological improvements. Initiatives designed to increase eco-efficiency include a far reaching national movement bringing it within the domain of Government Policy making to promote Sustainable Consumption and Production. It includes various measures designed to save energy and preserve natural resources. With the current alarming condition of the environment, western nations have become more focused on the environmental dimension of Sustainability as compared to the economic and social dimensions of sustainability.

Reiterating the fact that organisations have a huge impact on the environment, they are increasingly being driven to be more sustainable in the way they work by many stakeholders. Entities are working hard towards conserving energy by avoiding wastage in processing and manufacturing; conserving natural resources in natural formats; conserving materials by not over-selecting or over-layering or over-specifying; avoiding toxicity to humans and to nature in manufacturing; incorporate recycled content; and maximizing recycling opportunities for dis-assemblies and recyclability.

While some of these features are easy to understand for any organization wanting to start working more sustainably such as avoiding to waste energy, but others such as avoiding over-specifying that can lead to increased costs with no benefits are more complex and can have a huge impact. (Taylor, 2010)

It is now a well-established fact that the social structure of a society is quite dependant on the economic well-being of that society which in turn shapes the environmental sustainability. It is assumed that geographical areas with optimum pollution, high literacy, and good standard of living have better conditions of living and even further better quality of life, which eases the pressure off the environment and also keeps the economy in healthy condition.

## Conclusion

Sustainable Development is often described as one requiring a joint and long-term outlook. It is for the achievement, attainment and continuity of sustainability in the processes and the economy, that the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) emphasizes upon the recognition of limited nature of availability of resources by Public policy and the fact that the same cannot always be addressed by technology.

To word it otherwise, there are absolute limits to the planet's carrying capacity, as is evidenced through planetary changes in terms of global warming, climate change and biodiversity loss. It is in such a context, that substitution between economic or manufactured capital and natural resources or natural capital is recognized as unsustainable in the long term. This provides a more effective basis for policy formulation for integration that seeks synergies and integration of the three dimensions (economic, social and environmental) of sustainable development in policy outcomes.

Sustainability, with all its dimensions, does not reek of 'fly-by-night conceptuality'. Be it corporate actions or public policy, what is expected is a foresightedness in approach and a dedication to not only address the present persisting issues but also have an understanding of the possible futuristic impacts of the current actions.

Such long-term approach while encompassing all the three dimensions requires the keeping of national and societal interests at the helm. Focussing on the various drivers of each dimension may not seem like an easy task but that is the need of the hour as far as the attainment of perennialism is concerned.

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