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Ensuring sustainable development

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THE recent United Nations World Summit on Sustainable Development in Johannesburg ended with a sprawling document that had something for everyone but few specific promises. The hoped-for plans of action, timetables and milestones did not materialise.

It was an ambitious meeting more noted for rhetoric and posturing rather than clear targets and specific action.

There were in fact claims that nothing had been achieved since the Earth Conference in Rio de Janeiro 10 years ago when the term sustainable development - meaning economic growth within the limits of the earth's resources - was first put on the global agenda.

May be the thousands of environmental activists and developmental activists who came to Johannesburg to campaign for their causes were right to despair that governments are capable of acting in anything else but narrow national interests.

If there was a difference between the Rio and Johannesburg summit meetings, it was because the world had changed politically. The Berlin Wall had fallen and the Cold War had ended.

A new hard-nosed realism has become dominant as a result of globalisation. So the action plan agreed to in Johannesburg was less visionary and more workmanlike, reflecting perhaps the feeling among many nations that they no longer want to promise the earth and fail, and will rather take careful steps forward than run too fast.

One of the few consensus that emerged, albeit with grave misgivings in some quarters, was the realisation that the private sector rather than the government must play the lead role to speed up development.

Many agreed that private businesses are the main culprits in depleting the Earth's resources to its current parlous state. Since private business is the major problem, it therefore must and should be an indispensable part of the solution.

Business must be responsible and accountable for the part it has played. But this crime and villain scenario is not as clear-cut as it seems.

The motivation of business is to produce what the consumer wants. Business will produce goods that are sought after by the greatest purchasing power. It does not matter that the greatest purchasing power only represents a very small portion of the earth's population.

This is the reason that there are endless choices for sneakers, for example, from Nike to Reebok to Adidas, with all types of styles, colours and shapes imaginable. This is happening at the same time when over half of the world's population does not have drinking water or proper sanitation.

This perverse situation is a result of blatant consumerism that gorges on most of the earth's resources at such a voracious pace. In the current system of allocation, resources go to where they can fetch the highest price, not to where they are needed most.

Hence, a disproportionately large share of the world's resources, be it minerals from the ground, human talent or the air that we breathe, is being devoted to satisfy the wants of the disproportionate few.

But as the current capitalist system goes, private businesses do not have the motivation to cater to the world's destitutes. It must be a conscious realisation and effort on the part of their shareholders, directors and top management.

Sustainable development is not only a good business principle, but also a very logical and practical one if you think about it carefully, because resources will be managed for the long-haul, not just for short-term gain. Shareholders assume that their companies will last forever, or at least many years beyond their own lifespan.

To sustain for the long term, companies must be pragmatically prudent in allocation and use of resources that are available.

In a similar vein, everybody wants to leave a good legacy that their children and their children's children can enjoy. All the wealth in the universe cannot compensate for good air to breathe or a healthy environment to live in.

If you think about it logically, it is relatively much cheaper and easier to manage our world's resources properly from the very beginning because once destroyed, it may be many times more costly or even impossible to put things right again. Surely history has shown that to be true time and time again.

But if the only problem confronting the world's population is the choice between Coca Cola or Pepsi, or between McDonald or Burger King, then there is no need for world summits every 10 years.

The critical input is the link between sustainable development and help for the world's needy. This link is important because it will provide an inherent motivation for private businesses to do naturally what is necessary, instead of being pushed into things they may think do not benefit them at all.

Big businesses and their shareholders are wont to believe that it is the responsibilities of governments to attend to the needs of the poor, and many captains of industry believe that businesses are in it to make profits and not provide charity.

More and more people and governments, except for the arrogant few, have come to the sad fact and the realities that there is really no other practical alternative to solving or at least mitigating the world's environmental problems besides the private sector.

There are many poor governments, and with their limited resources, they are hardly the solution to even their own predicament. The rich countries, on the other hand, may have the necessary resources but not the political will to effect a meaningful impact.

Many of the rich countries in Europe, for example, are themselves welfare states to their own citizens. Even if these rich countries want to take action, the extent of their influence and reach beyond their borders are practically limited except for may be one country.

Big businesses have to accept that, to a large extent, they are now the custodians of the world's depletable resources. Just look at the evidence.

Many of the world's large corporations now generate revenues and profits that exceed the gross domestic product of many countries. So we know big business has the necessary financial means.

Many of these corporations are also multinationals or should we say more aptly transnational that operate in many countries. So we know big businesses have the cross-border reach necessary to make a meaningful difference for the good of the needy.

The only criterion left is to make a strong case for the linkage between sustainable development and development for the poor, a prequel to the prosper-thy-neighbour concept that our Prime Minister Datuk Seri Dr Mahathir Mohamad is well-known for.

Actually many parties have realised that at the rate we are consuming the Earth's depletable natural resources, we may deplete them sooner than expected.

Short-term gains made by the rapid depletion of the world's renewable

and non-renewable natural resources which give rise to an unhealthy environment must not be the primary corporate agenda in any business plan.

The backbone of any corporate endeavour is premised on good management and governance which must ultimately be a win-win situation for all concerned.

There should be a re-think in the practice of sustainable development. Companies must not only think of maximising profits but to plough back some of their gains to society.

This requires an unequivocal commitment to corporate governance and best practices of a higher order, and definitely more so when Mother Earth's resources are meant for all mankind.

At the end of the day, good corporate governance admittedly of a higher order holds the key to many problems that arise in the course of development.

Good governance should not only be confined to the corporate kind, but also applicable in various disciplines in life. Any commitment made at the Johannesburg summit must be translated into action as economic justice must not only be done but be seen to be done, expeditiously and for the good of all inhabitants of Mother Earth.

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