

## Chapter 18

# Sustainable Business Initiatives in the Context of Emerging Economies

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### ABSTRACT

*Emerging economies, becoming popular under the acronym of BRIC (Brazil, Russia, India and China), are facing unique challenges related to sustainability. The challenges faced by these economies are quite different to those faced by developed economies such as UK, USA and Australia. These differences arise – from the BRIC perspective – due to the lack of existing infrastructure, potential for huge growth in the markets, need for greater awareness from the consumers and the challenges in implementing regulatory compliances. Improving the performance of organizations and industries in which they exist is a crucial step towards achieving control and improving sustainability. This chapter outlines and discusses issues and challenges related to implementing green concepts in emerging economies, corresponding measures and also proposes an approach to ameliorating the challenges.*

*“Then I say the Earth belongs to each...generation during its course, fully and in its own right, no generation can contract debts greater than may be paid during the course of its own existence”*

Thomas Jefferson (1789)

### INTRODUCTION

Sustainability is the ability of the business to continue its operations in the face of adverse situations. In a wider context, sustainability also implies the responsibility of the business to carry out its operations in such a way as to have minimum impact on its environment. This chapter discusses sustainable business initiatives in the context of emerging economies.

Strategically, it is vital for a business to understand sustainability and ensure that its business

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strategies are in line with the overall sustainability of its industry, society and the world. While the details of a sustainable strategy are hardly ever straightforward, the challenges multiply even further when industries across multiple geographical regions and national boundaries are involved. This was amply evident in the recently concluded Copenhagen summit. (Black, R., 2009) While well-intentioned representatives from various nations arrived, debated, discussed, and disagreed on the global need for carbon emissions control, hardly a nation ratified any of the agreements. While disappointing, it was not unexpected as staggering amounts of conflicting data that needs to be processed to arrive at solutions that are acceptable to all parties. Meanwhile, business goes on as usual. This chapter approaches the challenges of sustainability, and how those challenges can be handled within business strategies. More importantly though, this chapter aims to discuss issues related to sustainability in the context of emerging economies. This discussion, we believe, is important because of the unique challenges related to sustainability faced by these emerging economies. The acronym BRIC (Brazil, Russia, India, and China) has become popular because these four regions represent the fastest growing developing economies. The challenges faced by these economies are quite different to those faced by developed economies such as UK, USA, and Australia. These differences arise – from the BRIC perspective – due to the lack of existing infrastructure, potential for huge growth in the markets, need for greater awareness from the consumers and challenges in implementing regulatory compliances.

At the strategic level, sustainability can be incorporated in business planning, business processes, standards, regulatory compliances and in the attitude of the people working within that organization. The attempts to make a business a 'sustainable' also correlate with its continuity. An environmentally conscious business intertwines

sustainability with its surroundings – which may be unique in emerging economies.

This chapter is divided into the following sections:

- Understanding international sustainability
- Economics of sustainable development
- Sustainable development in emerging economies
- Business and government efforts on sustainability in BRIC countries
- Environmental economics & regulation in emerging economies
- International sustainability strategies in practice
- Future directions and conclusions

## **UNDERSTANDING INTERNATIONAL SUSTAINABILITY**

Sustainability can mean different things to different stakeholders. For example, Brundtland (1986) defines sustainable development as a "... development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (Our Common Future, 1987)

Based on our earlier introduction however, our view of sustainability is that it is the ability of the business to sustain its operations in the face of adverse situations and, at the same time, carrying them out with a small carbon emissions footprint. This sustainable approach to business – enshrined in its strategies and planning – is vital for the future. This is so because the traditional view deemed that all development was good.

Development meant economic development; economic development meant increasing monetary wealth. However, this traditional view was all under the false pretext that natural resources are inexhaustible. We now know that this to be false and hence need to stringently apply this sustainable approach to business. Table 1 shows the

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