



and concepts of modern economics and business management system emerged and developed, made them lop-sided. The problem with the present socio-economic system is an unending growth of economics, wants and technology which neglects the integral nature of human beings and societies. Any growth and development of a society has to be integral. Besides promoting economic development and growth of businesses, it has also to sustain social order, tradition, ethical values and moral standards, human development, equitable distribution of economic resources and wealth and solve economic problems. Also a sustainable socio-economic system has to preserve, conserve and develop the ecology and environment. The present lop sided socio-economic model is unsustainable not only in for the environment but also in the socio-economic sense. The present economic system is based on profit motive, efficiency, finding new and more markets and sources of raw material all over the world. Therefore it is inevitable that distributive justice both within and without will suffer. The problem in the modern economic system based on western philosophies had always been that it could never reconcile claims of individual and social obligations and had suffered from a perennial conflict between collectivity and individual. There are two parallel streams of thought in the west. The first stream focuses on individual in terms of self sufficiency of individual, contentious claims and rights of the individual (as represented by liberalism and utilitarianism) against the society and the state. The other stream of thought is represented by Plato, Rousseau, Hegel, Bernard Bosanquet and others who enshrined community or state as central for individual as well as the society. Unfortunately, the first stream of thought has influenced a much greater part of modern economics and business management. Modern economics is based on the philosophies of materialism, liberalism and utilitarianism. Modern economics justifies free market mechanism, which often assumes an inhuman face. In such an economic world, there is not much scope for ethical values of contentment, control, sharing and equality. It judges, categorises and treats man on the basis of his economic ability and presents a mechanical view of the individual and the society. In a way it creates an economic system based on money power often leading to exploitation, structures of dominance and unrestricted competition. Modern economic system has created more socio-economic problems than it has solved. Presently, poverty, unemployment, inflation, financial instability and so many other problems are directly or indirectly related to the present socio-economic system. Not only the underdeveloped and developing countries but also the developed countries face many economic problems. Among many others, Noble Laureate Amartya Sen pleads for a more humane face of economics, social responsibility, health, education and uplifting the poor. Control and balance is necessary in all things including economics. Ills and negative effects of capitalism like financial crises, inequality, exploitation and others are all results of thirst for power, greed, excessive

desires and money mindedness.

Modern economic systems are an offshoot of the capitalistic liberal, rationalistic western thought and culture and strongly favour the economically developed western nations and their Multi-National Corporations. The present world order and political and economic systems encourage the dominance of these powers and exploitation of weaker, developing and underdeveloped countries. The economically developed countries, MNCs and international financial bodies have also to realise that colonial and neo-colonial methods of extracting surplus from developing and underdeveloped countries cannot be continued for a long time.

Highly wealthy people spend millions and millions of dollars on very expensive and luxurious motor cars, executive aircraft, yachts, real estate, watches, vacation destinations, fashion, jewellery, festivals, events, accessories, amusements, electronics, specialty vehicles etc. On the other hand, there are many African and Asian countries in which there is malnutrition, extreme poverty, famines, diseases and similar such conditions. It is so surprising that such extreme contrasts can exist in the so called modern age.

### **Negativities in Business Organisations**

The same is reflected in business organisations in which organisational conflicts, overly competitive methods, unethical practices, workplace negativities lead to tensions, life imbalances, health problems and so on. The present day system of business and management, although has led to a better and more prosperous world and a more efficient system, but it has failed to ensure human betterment and social welfare in the real sense of the term. The society has suffered and in some ways deteriorated. The worker and the ordinary employee have become pegs in the corporate machinery and have lost their contentment. The slogan 'consumer is the king' is only partially and conditionally true. In many cases the consumer is the sufferer. The society is the worst sufferer. The owner and manager too are not the gainers. They have earned millions but only at the cost of their sound sleep. They suffer from insomnia, gastric complaints, high blood pressure, diabetes, heart ailments and mental discomforts. Labour troubles, production losses, loss of turnover, erosion of the markets, strategic blows by the competitors, tax troubles, and reduction of profits, bribes to politicians, favourable and unfavourable economic cycles and other such factors haunt the managers and the owners of businesses. Wealth is gained at the cost of inner peace, health and sleep. The present day economy also leads to cut throat competition and fierce struggle between contending firms and companies. Their primary objective is profit for which they leave no stone unturned. Man is treated as a commodity and his individuality and potential are crushed by the giant corporate wheel. The individual is treated dominantly as an economic being having little religious, cultural,



spiritual, emotional and aesthetic aspirations. So much commercialisation of life has taken place that personal and family relations of employees are being governed more by market and economic considerations. Within the companies, strife, jealousy, politics and competition among employees is leading to poor quality of work life, frustrations, stress, tensions, wastage of human effort, lack of job satisfaction, unfulfillment in work life and overall degradation in human life. Within the companies the employees and workers suffer from exploitation, over work, stiff targets and lack of facilities particularly in the developing economies.

Not only in the upcoming companies of the developing world but also in the developed economies the use of illegal and immoral means of business and business promotion have become so common. Socially, companies do not much bother about the social evil effects of their motives and practices. Greater mechanisation, robotisation and use of artificial intelligence is leading to large scale unemployment. Small scale industries have hardly any future. Even in agriculture modern means and methods, while giving a boost to production are leading to health and environmental problems. Since land in countries like India is so scarce, big companies while acquiring land for industries do not much care for the compensation and rehabilitation to the original inhabitants living on these lands. Massive wasteful expenditures are undertaken by large companies in the name of promotion of their goods and services, which could have been used for the benefit of the poor. The examples of huge expenditures for promotion of Pepsi and Coca Cola can be given here. It was the greed for more profits of the major financial houses and banks that led to the financial crises in USA and Europe.

The modern industrial age and economic model of development has resulted in so many types of harmful and detrimental environmental and ecological effects that if not controlled immediately these can make the Earth an inhabitable planet in the future. These include pollution, global warming, erosion of forests and natural habitats, poorer health of flora and fauna, genetic changes, lifestyle changes, problems of nuclear fuel and waste, ozone depletion, lack of clean fresh water, depletion of minerals and natural resources, toxins in food chains, energy crises, waste dumping and many other problems.

### **The Resultant Unsustainability**

Not merely the ecological and the environmental unsustainability which the present socio-economic system is leading to, it is argued that there is growing unsustainability in present economic system, increasing unsustainability of present social order and values in societies and rising unsustainability in the work environment and culture of business organisations. Despite problem and contradictions, people have to live with the present system. Wheels of history cannot be turned back because it is an evolutionary process

which takes its own time.

### **Economic Growth with Sustainability**

According to Crane and Matten, "Sustainability refers to the long term maintenance of systems according to environmental, economic and social considerations".<sup>1</sup> It is observed that while capitalistic free market system is being followed increasingly even by developing countries and engines of production thus have been accelerated, There are problems of economics, social order, overexploitation of natural resources that have to be dealt with by world leaders and international agencies. Therefore for long term maintenance of human well-being, it is necessary to include economic, social, cultural and political dimensions. These aspects have to be reconciled for sustainable growth. It may therefore be emphasised sustainability by its nature and definition has to be integral and inclusive of economic, social cultural and political dimensions along with the environment and ecology.

Sustainable development a concept and movement founded at the Rio de Janeiro Earth Summit in 1992, has as its core agenda the harnessing of resources of the private sector in pursuing environmental and social imperatives without compromising – and ideally enhancing – profitability and value creation.<sup>2</sup> The three components of sustainable development, environmental protection, social equity and economic prosperity, form the basis of a reporting paradigm called the triple bottom line.<sup>3</sup>

Sustainable development has been defined in many ways, but the most frequently quoted definition is from Our Common Future, also known as the Brundtland Report: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- The concept of needs, in particular the essential needs of the world's poor, to which overriding priority should be given; and
- The idea of limitations imposed by the state of technology and social organisation on the environment's ability to meet present and future needs".<sup>4</sup>

According to the Western Australia Council of Social Services (WACOSS) "Social sustainability occurs when the formal and informal processes; systems; structures; and relationships actively support the capacity of current and future generations to create healthy and liveable communities. Socially sustainable communities are equitable, diverse, connected and democratic and provide a good quality of life".<sup>5</sup>

Mahatma Gandhi had said, that the Earth provides enough to satisfy every man's need, but not every man's greed.<sup>6</sup> Gandhiji has summed up the fundamental axiom of sustainability.



The earth, its resources, our societies and economic systems can only be sustained when people limit and control unnecessary and excessive desires for greater and greater material satisfaction at the cost of others. Most of the people in the world today are involved in satisfying the greed of a few. Sustainability has to be holistic and integral. For making human lives better and living more sustainable, partial and limited changes will be enough. Change is required at all levels and especially at a deeper and fundamental level of human thought and behaviour. Ethics and morality must take the centre-stage in socio-economic behaviour. With lessor competition and greed there will be greater coordination, greater sharing of resources, use of bio-sustainable means of production and consumption, lessor social deviance and overall harmony.

According to Lau Tzu, "Manifest plainness, embrace simplicity, reduce selfishness, have few desires".<sup>7</sup> Edward Abbey has said in *The Journey Home: Some Words in Defense of the American West* that, "Growth for the sake of growth is the ideology of the cancer cell".<sup>8</sup>

William J Clinton better known as Bill Clinton has said that, "When I think about the world I would like to leave to my daughter and the grandchildren I hope to have, it is a world that moves away from unequal, unstable, unsustainable interdependence to integrated communities - locally, nationally and globally - that share the characteristics of all successful communities".<sup>9</sup>

In a broader sense the notion of human development incorporates all aspects of individuals' well-being, from their health status to their economic and political freedom. Sustainable development could probably be otherwise called "equitable and balanced," meaning that, in order for development to continue indefinitely, it should balance the interests of different groups of people, within the same generation and among generations, and do so simultaneously in three major interrelated areas—economic, social, and environmental.

### Dimensions of Sustainability

The various dimensions of sustainability are economic, social and environmental. The various suggestions and aspects of sustainability are as follows:-

| <b>Economic Sustainability</b>   | <b>Socio-cultural Sustainability</b>                                  | <b>Environmental Sustainability</b>                     |
|--|---|---|
| Balanced economic growth of all sections and sectors of the society world-over | Security, social harmony, peaceful and progressive social interaction | Pollution control and ultimate elimination of pollution |

|  |  |   |
|--|--|---|
| Economic efficiency  | Education  | Sustainable methods of agriculture animal husbandry and industrialisation |
| Economic stability   | Health, happiness, leisure and recreation  | Balanced growth of flora and fauna  |
| Economic welfare of the lessor, weaker, marginalised sections  | Freedom and cultural identity  | Conservation of habitats and food chains                                  |
| Ecologically sustainable methods of economic growth  | Law, justice and social ethics   | Renewable and non-polluting methods of energy generation                  |
| Curbing of the power of MNCs, growth of cottage, small and medium sized businesses and worldwide economic development  | Scope development of individuals and groups  | Proper waste disposal   |
| Reduction and ultimate elimination of negativities like poverty, unemployment, inflation, monopolisation, corruption, energy crisis, and exploitation, excessive competition | Reduction and ultimate elimination of negativities like socio-economic inequality, exploitation of the lesser, weaker and marginalised sections of the society, crime, social and political conflicts. In other words Human development in the complete sense. | Development of bio-friendly methods in all walks of life                  |

### Agenda for Corporate Sustainability

Modern corporates despite the problems that had been created as explained above, have become conscious that business has to be run taking into consideration various aspects of sustainable world order. For this awareness has to be inculcated among the shareholders, employees and management that protection, conservation and the development of the

environment and ecology is a very important aspect of successful management and fruitful business performance. Corporate sustainability means running and managing businesses in such a way that promotes economic, social, cultural and political sustainability. Corporate sustainability should therefore include creating both a better external and internal environment for business organisations.

A truly sustainable and progressive business organisation apart from economic and financial efficiency ought to ensure the following:-

- Control over and final elimination of workplace negativities
- Work-life family life balance
- Stakeholder satisfaction
- Ethical business and management
- Control over politics, peer-competition, conflicts
- Overall development of the employee
- Control over corporate greed
- Greater feeling of team work, brotherhood, collaboration that jealousy and competition inter and intra business organisations
- Control over excessive salary differentials
- Reduced tension and stress levels
- Superior human relations between organisational personnel and more humane work environments
- Elimination of corporate crime
- Better corporate governance
- More stress on corporate social responsibility
- More stress on public private partnership for socio-economic development
- Corporate business houses should become agents of socio- economic development

### **The Proposed Solutions for Economic Growth with Sustainability**

The fundamental problem is human greed and excessive competition as a result of power struggle. A basic understanding on the part of leadership should be the need to exercise restraint over the two. The solution lies with realisation on the part of elite as well as the common man that their own sustainability depends on

- Collaborative efforts,



- Reasonable satisfaction of needs and greater sharing of socio-economic resources,
- Human development in societies as advocated by Noble Laureate Prof. Amartya Sen,
- Social and economic upliftment of all,
- Equitable economic development,
- Social and economic cooperation at all levels,
- Greater attention and help to the lessor and marginalised sections of the society,
- Better economic opportunities for all, better workplace cultures and atmosphere,
- More harmonious work environment, superior human relations at organisational and social levels,
- Growth and betterment of employees at all levels in organisations,
- Environmentally and ecologically sustainable business practices,
- Stricter and more complete enforcement of laws that stress sustainability and
- Reduced conflicts and much greater stress on business ethics and ethical management.

The corporate social responsibility of business organisations should not be limited to following business regulations and norms and environmentally supportive business practices, but also to operate as truly moral, ethical, collaborative harmonious, developmental social structures that reduce organisational negativities and encourage integral individual and organisational growth. That in our view will lead to true sustainability and inclusive economic growth. We are conscious in concluding this paper that the above stated views are reasonable ideals and yet will take a long time with efforts of all concerned.

### References

1. Crane Andrew and Matten Dick, *Business Ethics – Managing Corporate Citizenship and Sustainability in the Age of Globalisation*, Third Edition, Oxford University Press, Oxford, 2010, p. 34.
2. Weiss Joseph W, *Business Ethics, Concepts and Cases*, See Case 17 Commitments to Sustainability in the Oil and Gas Industry: Do the Actions Match the Words Cengage Learning, New Delhi, 2009? p. 337.
3. *ibid.*
4. World Commission on Environment and Development (WCED), *Our Common Future*.

- Oxford University Press, Oxford 1987, p. 43. <http://www.iisd.org/sd/> accessed on 24-12-2013.
5. <http://auspsa.anu.edu.au/proceedings/publications/Partridgepaper.Pdf>[http://en.wikipedia.org/wiki/Social\\_sustainability](http://en.wikipedia.org/wiki/Social_sustainability) accessed on 24-12-2013.
  6. <http://www.sustainablesocietyusa.com/html/SustainableSociety/20070913/24.html> accessed on 24-12-2013.
  7. <http://www.goodreads.com/quotes/tag/greed> accessed on 26-12-2013.
  8. <http://www.goodreads.com/quotes/tag/greed> accessed on 26-12-2013.
  9. [http://www.brainyquote.com/quotes/keywords/unsustainable,html#S6vYIH56ugWd5R7v.99](http://www.brainyquote.com/quotes/keywords/unsustainable.html#S6vYIH56ugWd5R7v.99) accessed on 27-12-2013.
  10. <http://www.brainyquote.com/quotes/keywords/unsustainable.html#S6vYIH56ugWd5R7v.99> accessed on 27-12-2013.
  11. Soubbotina Tatyana P, *Beyond Economic Growth – An Introduction to Sustainable Development*, Second Edition, WBI Learning Resource Series, The International Bank for Reconstruction and Development/The World Bank, Washington, U.S.A., pp. 7-8.
  12. *ibid*, pp. 9-10.