

## Delhi Sustainable Development Summit 2002

Ensuring sustainable livelihoods: challenges for governments, corporates, and civil society at Rio+10  
Organized by TERI, New Delhi, 8-11 February 2002

Online at <http://www.teriin.org/dsds>

### From the Director-General, TERI . . .

The stimulating fare of 9 February was added to in abundant measure on the second day of DSDS 2002. The keynote address, with which the proceedings for the day were initiated, carried the expected brilliance of Sir Mark Moody-Stuart, whose leadership of the energy business and grasp of subjects related to corporate responsibility came through eloquently. The next keynote address was delivered by Dean Gus Speth of Yale University. He presented an insightful analysis of poverty in all its complex dimensions. During this session, which was chaired by Dr Prodipto Ghosh, Additional Secretary in the Prime Minister's Office in New Delhi, an MoU was signed between Dean Speth and myself on proposed collaboration between the School of Forestry and Environmental Studies (Yale University) and TERI. The third keynote address of the day was delivered by Mr Lester Brown, President of the Earth Policy Institute in Washington, DC.

The plenary technical sessions conducted today rounded off the previous day's coverage of various subjects, which would be of critical importance to Johannesburg and to an understanding of the vital elements of what constitutes sustainable livelihoods.

The featured speaker at the lunch session was Dr Sanjaya Baru, which was chaired by Ambassador Gilbert Parent from Canada. The dinner address by Mr Jairam Ramesh, deliberately provocative, was brilliant in depth and extensive in coverage, and had the participants give him a grand ovation. Mr Raj Chengappa, who chaired the dinner session gave a mediaperson's perspective on environmental decision making, laced with humour. Day 2 of DSDS 2002 was enjoyable and stimulating in every sense.



(R K Pachauri)

### In brief . . .

#### KEYNOTE ADDRESS 2

**Chairperson** Mr Subir Raha

**Speaker** Sir Mark Moody-Stuart KCMG

Business must promote prosperity in tandem with sustainable development in severely poor regions, which represent a huge untapped potential and latent profitability. Recognizing the equal importance of social and environmental soundness and economic viability, business must cooperate with the actual beneficiaries and ameliorate services through attention to public reporting.

In developing regions, groups disregard the benefits of synergistic alliances, thus widening the rich-poor gulf. The reasons cited include inadequate investment; rampant corruption; inflexible markets; failing globalization; and unfavourable trade terms. The aid delivery process is critical because a dependency syndrome may inhibit economic progress.

To stimulate poor economies, partnerships between businesses, governments, labour organizations, environmental NGOs, and civil society groups are essential. Businesses should set realistic targets to enter and expand host markets or develop new ones, without neglecting the vulnerability of local enterprises; environmental regulations; and the host's sustainable development principles. Governments alone cannot tackle corruption; businesses could complement them by fostering a sustainable economy.

Such initiatives may fail if companies are unwilling to invest in sustainable development, engage in partnerships, or responsibly undertake public reporting. Worse still, the expected growth may not be adequate to fuel prosperity and capacity building may not be sufficient to ensure the effective functioning of markets. However, when sustainable businesses are successful, the prize would be enormous.

#### PLENARY SESSION 4

##### Managing natural resources for society: welfare and health implications

**Chairperson** Prof. Y K Alagh

**Speakers** Dr Ligia Noronha • Ms Meenakshi Datta Ghosh • Mr Robert Lion • Prof. Charles Perrings • Mr David Runnalls • Dr Yasmin von Schirnding

Natural resource management has significant implications for social welfare. Governments are moving away from providing economic services to formulating institutional frameworks for economic and social sectors. Such decentralization, in partnership with civil society and corporates, is the key to success. Preferred resource management is gender-sensitive; recognizes cultural and biological diversity; invests partial resource income in community development; and ensures transparency and adequacy of compensation payments. Addressing demographic issues of resource scarcity and use requires an integrated policy—demand-driven, need-based, area-specific, people-centred, and cross-sectoral.

Policy, regulatory, and fiscal barriers to the wider availability of health services should be dismantled and budgets for social franchising of health care services/products must be supplemented. Health issues are high on the development and political agenda because of their implications and should be addressed through supportive structures, new institutional behaviours, and additional resources, which promote socio-economic well being. Since local health issues are dependent on global consensus, greater cooperation between countries is desirable.

Replicating/strengthening successful local institutions is important as sustainable micro-enterprises catalyse self-sufficiency of marginalized communities. Sector-specific assessments (like the minerals and mining sector) can help business move towards operationalizing sustainable development.

Governments should clearly delineate resource rights, establish rent-sharing rules, assign responsibilities for social provisions, and enhance transparency and information flow. Civil society must demand information from governments and protest if development is not in public interest. Private sector should go beyond shareholder value to stakeholder value. Addressing sustainability issues is about strategic risk management as well as ethics.

#### KEYNOTE ADDRESS 3

**Chairperson** Dr Prodipto Ghosh

**Speaker** Prof. Gus Speth

Prof. Speth emphasized that the ongoing debate on sustainable development has to be freed from the additional baggage it has carried so far and reduced to its essentials. He said that the forthcoming WSSD should address the two most crucial issues of sustainable development—poverty and environment. The summit should be marked with a sense of urgency to find answers to these problems, given the current rate at which the world's natural resource base is being eroded.

He condemned the US for being the world's biggest polluter, and yet taking the stand it has on the Kyoto Protocol. He noted that despite 20 years of debate on sustainable development, the world community still falls short of action. Poverty and environmental degradation continue on a larger scale. To this date, international environmental laws are vague and lack enforcement.

Poverty and its relationship to the environment have to be dealt with a new seriousness at the WSSD.

Despite growing life expectancy and declining child mortality, the bleak reality of poverty remains. In this context, Dr Speth reiterated the goal set through the United Nations in its *Millennium Declaration* of halving global poverty by 2015.

Dr Speth said that the WSSD was an opportunity to 'walk beyond the talk' and correct past mistakes. This could be achieved through time-bound action plans for all the commitments made. He outlined 10 areas where action-forcing initiatives are need to be agreed at Johannesburg.

He suggested a multi-layered poverty strategy in contrast to the conventional one that singularly stresses the role of economic growth to counter poverty. His strategy focused on seven aspects of successful anti-poverty strategies including large investments in basic services for the poor (e.g. health and education), in regenerating the natural resource base, and in promoting sustainable livelihoods by empowering the poor with productive assets.

Dr Speth said that the world community should strive to get the Kyoto Protocol ratified at the WSSD. He also stressed on the need to renew the Convention on Biodiversity and prepare realistic plans to check deforestation.

Dr Speth stated the need for accountability, including such measures as performance measurement, benchmarking, and best practices approach to assess the goals achieved. He concluded his address by underscoring the urgency to implement these ideas. 'We do not have the luxury of time any longer,' he said.

#### LUNCHEON ADDRESS

**Chairperson** Mr Gilbert Parent

**Speaker** Dr Sanjaya Baru

Dr Baru highlighted the media's role in catalysing environmental awareness. He expressed concern that *Agenda 21* negates the media's role. The focus has been more on collecting and disseminating information rather than interpreting and mainstreaming it.

He referred to the media as a battleground for addressing sustainable development issues. It collects myriad, incoherent ideas from society and converts them into powerful, collective social opinion, which becomes a critical tool for policy-makers. Since the media is a constituency of policy-makers, the challenge of addressing issues of environment, poverty, and unemployment essentially lies with it. Since media has to grab public imagination, it also feels the need to sensationalize some issues, a phenomenon that has generated heated international debate.

He highlighted the media's limitations in the context of events like DSDS, for instance, the print media operates in a framework meant to be read and not heard or voice concerns. It can only communicate through the medium available. However, he acknowledged that the debate on environmental issues is a global movement in itself, which the media cannot ignore.

#### PLENARY SESSION 5

##### Defining the stakes, engaging the stakeholders

**Chairperson** Mr Björn Stigson

**Speakers** Mr Rakesh Kacker • Mr John Ashton • Dr Thomas M Connelly • Mr Vikram S Mehta • Dr Nitin Pandit • Mr Tiahoga Ruge

While Rio visualized a bipolar world with government and civil society as the two major stakeholders, the role of business is becoming

increasingly visible. The WSSD should, accordingly, redefine the world as tripolar.

While democracy and the judiciary are considered the two pillars for ensuring people's rights, public consultation is increasingly assuming importance in ensuring transparency and facilitating multi-stakeholder dialogue. The WSSD should ensure that inclusion of all socio-economic groups because sustainability is indivisible. Partnerships among stakeholders require solutions, for which assumptions must be validated. Johannesburg must identify proper delivery mechanisms through non-traditional partnerships.

The attitudinal change of leading global industrial houses from being compliance-, volume-, and resource-driven to trust-, value-, and knowledge-driven is significant, transforming the perception of successful business.

While global thinking represents increasing recognition of the private sector, local action calls for government decentralization and regional impact of resource use. The government must participate as a regulator without compromising sovereignty over local energy-environment resources.

In India, corporate involvement in sustainability is tangible. Well-managed companies recognize their social obligations. Indian consumers also want corporates to demonstrate ethical and moral behaviour and act in areas that have primarily been government preserves—health, education, and infrastructure.

Corporates must understand that (1) stakeholder dialogue involves serious, long-term commitment of time, money, and manpower; (2) it must be open and consistent; and (3) the results should add value to all stakeholders.

Aided by IT and media advances, the WSSD should recognize the importance of environmental education and capacity building and channel appropriate financial mechanisms.

#### KEYNOTE ADDRESS 4

**Chairperson** Ambassador Mitsuhei Murata  
**Speaker** Mr Lester Brown

The 'values system' is declining in the contemporary world, as the greatest happiness of the strongest is pursued and fulfilled. This is because of lack of three senses: the sense of responsibility, the sense of justice, and the sense of ethics. The increasing disparity between the rich and the poor at the national and international levels; the destruction of the environment; the abuse of natural resources; and the dumping of quasi-permanently dangerous waste materials are some symptoms of this sickness. Indeed, the present economic system is out of sync with the earth's ecosystem.

Economic growth fuelled by natural resources will bring about destruction of the environment. Therefore, there is a need to introduce a more humane 'eco-economics' or 'economics of contentment' that considers natural resources not as an income but as a capital, which requires conservation measures. The first step in this direction should be to shift the growth measurement from GDP (gross domestic product) to GPI (genuine progress index), which takes into account ecological and social costs.

The session took up the sensitive issue of global denuclearization, urging that there be strict checks on the fabrication of nuclear installations in the absence of thorough know-how of disposal methods and mishap prevention.

The address ended with a thought-provoking quote: 'Socialism collapsed because it did not allow

prices to tell the economic truth. Capitalism may collapse because it does not allow prices to tell the ecological truth.' (Øystein Dahle)

#### PLENARY SESSION 6

##### Creating business models for the poor: expanding sustainable development

**Chairperson** Mr Clive Butler

**Speakers** Dr T P Singh • Mr Hanns Michael Hoelz  
• Mr Prasad R Menon • Mr Emmanuel Haton  
• Ms Judith Samuelson • Ms Meera Shenoy

There is a need to reorient business mindsets away from serving affluent clientele towards the less privileged; indeed, we must create business models that increase the purchasing power of the poor. Though corporates cannot replace governments, they must consider the interests of customers, employees, and society beyond their shareholders. Innovative ideas, social networking, and a state-facilitated conducive environment would catalyse this.

Designs of pro-poor business models should derive from experiences, ambitions, and ingenuity of the poor as well as mainstream business skills. By creating markets for rural produce, corporates can strengthen rural economies and also access untapped talent.

Isolationism will not work; businesses must collaborate with NGOs and governments to empower the poor. Micro-credit is an important learning tool in this context. Another innovative form of investment is the 'financial convergence product', a combination of working capital, fixed costs, and risk mitigation for sustainable rural development.

Synchronizing the triple bottom line for sustainable development through addition of economic value, harmonization of environmental factors, and building social capital in the community is beneficial.

It is critical to sensitize the managers and leaders of tomorrow about sustainable development principles. Although the current focus is on maximizing shareholder value, core teaching in business schools must integrate social responsibility and management for sustainability. For long-term change, this must also blend into corporate recruitment policies.

#### PLENARY SESSION 7

##### Food security and basic human needs

**Chairperson** Mr Ian Johnson

**Speakers** Dr Vibha Dhawan • Dr Guenther Fischer • Mr Gokul Patnaik • Dr John Skerritt  
• Dr Paul S Teng

Global population increase, decline in per capita arable land and its degradation, and shortage of water and labour pose major challenges to global food security and basic human needs, especially in developing nations. Besides intensifying agriculture, the socio-economic conditions of people in developing countries must be improved.

The Green Revolution's benefits having plateaued, we should now focus on alternative strategies to increase food production, improve storage and preservation, and enhance nutritional quality of food. Biotechnology can provide food and nutritional security, enhance production efficiency, reduce crop damage and food loss, promote sustainable agriculture, protect the environment, and empower the rural sector through income generation.

Genetic engineering holds a lot of promise. However, supply of nutritious food must be complemented by access and adequate resources to acquire it.

Three valuable interventions to reduce rural poverty are agricultural R&D, education, and road construction. Collaborations between developing and developed countries and public-private partnerships are important.

Of the several actions required to address food security, the foremost is to remove trade imbalances while investing in developing countries to ensure their competitiveness. International public dialogue on science and technology in agriculture is important to review options and risks. This would involve all stakeholders in agreeing on environmentally and socially responsible paths.

We must invest in research for the public good and make the findings available to small farmers, ensuring a focus on 'productivity with a green face'. Investment (through on- and off-farm activities) in rural development can remove urban bias. Increased donor funding and realignment are critical to improve employment opportunities and infrastructure, such as roads, education, and health.

Technological optimism coupled with conducive policies, political determination, sound investments, and strategic partnerships is the key to success.

#### RECEPTION AND DINNER ADDRESS

**Chairperson** Mr Raj Chengappa

**Speaker** Mr Jairam Ramesh

Mr Chengappa observed that 'not much has happened since Rio. The degradation of environment continues as before.' The growing global concern for the environment is good; globalization of environmental issues kills local initiatives. Care needs to be taken to spread the benefits.

Mr Ramesh was very vocal about his fears on the link between trade and sustainable development, the 'democratic deficit' in international organizations like the WTO and the 'locus standi of civil society in dispute'. He stressed that the shift of incorporating sustainable development concerns into trade may impede the economic growth of many developing countries though its objectives are well placed. How to globalize them is a matter of concern as giving NGOs a 'voice in governance' may open Pandora's box.

Mr Ramesh emphasized the importance of distinguishing between genuine concern and neo-protectionism to bring in adequate safeguards in the agreements. He concluded on an optimistic note, saying that it is essential to make 'sustainable development the most potent anti-poverty move'.

#### As they said it . . .

*Business is not just about potential clients or customers, but everyone who is affected by it.*

. . . Sir Mark Moody-Stuart KCMG, former Chairman & Member of the Board, Royal Dutch/Shell Group of Companies, UK

*The real challenge for the media is to make environment a mainstream issue and not a niche issue.*

. . . Dr Sanjaya Baru, Editor, The Financial Express, India

*We are moving into a world where the past no longer guides the future.*

. . . Mr John Ashton, Head of Environment, Science and Energy Department, Foreign and Commonwealth Office, UK

*The world seems to have lost idealism. The present material civilization threatens the spiritual sanity of future generations.*

. . . Ambassador Mitsuhei Murata, former Ambassador of Japan

*Even within the environmental community, we do not have a shared vision of what we want to do and where we want to go. And if we do not have a shared vision of where we want to go, the chances are that we will end up going nowhere.*

. . . Mr Lester Brown, President, Earth Policy, Institute, USA

*The world is waiting for action and not mere communication tools.*

. . . Mr Hanns Michael Hoelz, Global Head Sustainable Development, Deutsche Bank, Germany

*If there is one community that actually believes in globalization, it is the anti-globalization community.*

. . . Mr Jairam Ramesh, Secretary (Economic Cell), All India Congress Committee, India

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