

# Contribution of Responsible Enterprises in Sustainable Development with Reference To 6<sup>th</sup> SDG clean Water and Sanitation

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**Abstract – The conceptual paper is based on the contribution of responsible enterprises in sustainable development. As natural resources are the most essential elements for the existence of life on earth. The supreme concern is economic, social and environmental factors that must be considered with the availability and deep-rooted sustainability of basic requirements such as pure water, pure air, forest, soil etc. As per the 2030 Agenda for Sustainable Development, 17 Sustainable Development Goals (SDGs) are framed to be accomplished by all the countries- developed and developing- as a global venture to escalate plenteousness on our planet. SDGs are impelling calls for an action plan to eradicate poverty, illiteracy, starvation, gender discrimination, to provide protection to water, land, forest resources and to spur economic growth. The 6<sup>th</sup> SDG i.e. Clean Water and Sanitation draws our attention towards the scarcity of water, supply of substandard quality of water and lack of sanitation which has become the root cause of all the other issues. The main focus of the study is to highlight the initiatives taken by private enterprises, public enterprises, multinational enterprises and government to solve the problem of clean water and sanitation. The data that have come up are staggering. Population growth and urbanization which creates inequalities in distribution of water. Most of the water borne diseases is linked to areas which have no access to clean water and sanitation. The most difficult task is to end hunger, provide nutrition and food security to people who are a prominent part of the world. Many private as well as public enterprises are planning to overcome this challenge. The paper also gives the description of the programmes launched for clean water and sanitation around the world.**

**Keywords-** Sustainable, social, economic, environmental, sanitation, initiatives

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## INTRODUCTION

The Brundtland Report, 1987 defined Sustainable Development- “Sustainable Development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. The integration of the **3 pillars of sustainable development i.e. Social, Economic and Environmental** with cooperation of companies will definitely maintain healthy surroundings for the survival of living organisms. These pillars are generally referred to as **people, profit and planet**. Corporate Sustainability is a new concept which proves that true corporate giants and private enterprises have considered sustainability as a key priority to move forward in the market. Clean water is adequate quantity and good quality is necessary for sustainable development. Around **40% of the global population** is affected by water scarcity, **4 billion people lack access to basic hygienic** such as toilets, nearly **1000 children die each day due to diarrheal diseases**, at the minimum **892 million**

**people get on with practicing open defecation**, floods and other water related disasters account for 70% of the overall deaths due to natural disasters, more than **80% of the waste water is discharged into rivers and seas** without application of any pollution removal techniques and to make the situation worse drought has affected some of the world's poorest countries. The World Economic Forum also ranks water crisis in the **top 3 global risk** which if not dealt seriously will have devastating global effect. Sustainable Development is very important to deal with such global crises. The human right to water and sanitation is recognised by all the nations, various institutions and business enterprises. Water is connected with all sorts of development such as agriculture, energy, food and health, maintaining healthy and balanced ecosystem.

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difficult task is to end hunger, provide nutrition and food security to people who are a prominent part of the world.

## OBJECTIVES

1. To study the efforts of responsible enterprises in sustainable development (Clean water and Sanitation).
2. To study the role of MNCs and the government in sustainable development (Clean water and sanitation).

## RESEARCH METHODOLOGY

The paper is descriptive and analytical in nature. The data used in the paper is secondary in nature collected mainly online journals, websites, newspaper, relevant books and other published work related to this topic.

## REVIEW OF LITERATURE

**SIWI. 2005. "Making Water a Part of Economic Development: The Economic Benefits of Improved Water Management and Services" –** This report shows the economic as well as social benefits of investments in this sector. It will contribute to the human development like reduction in poverty, increased productivity, improved health, hygiene and sanitation. Ultimately these factors will contribute in economic growth.

**G Hutton, UE Rodriguez, L Napitupulu, P Thang , P Kov, "Economic Impacts of**

**Sanitation in South Asia". World Bank. 2008. -** The study is concerned with the impact of sanitation on some major areas such as health, water, environmental, tourism, and other welfare related activities. It also focuses on the scarcity of water than affects sanitary conditions of a country and solid waste management is also discussed in the paper.

**Wayne Visser, "Corporate sustainability and individual", 2007-** The paper explains the concept of corporate sustainability and its impact on individual. The role of sustainability managers is also defined with respect to the relation of manager with other employees of the organisation.

**WHO-UNICEF Joint Monitoring Programme for Supply of Water and Sanitation. Water for Life: Making it Happen, 2004-** This programme suggests the efforts that should be taken to ensure water safety and cost effective ways to procure water. It also focused on importance of sanitation and hygiene which must be provided by the government and other organisations of the country.

## RESPONSIBLE ENTERPRISES

Responsible enterprise is when companies operationalise their corporate responsibilities in all of their strategies and business practices by developing better relationships with their stakeholders and by working to maximise sustainability of the natural environment and resources. The focus of the company should not be in one area only, and responsibility should be applied into the core values of the company, in order to enable maximum performance. Ethics must be inculcated in the human resource of the enterprise to make it responsible.

As the "Responsible Enterprise" is a debatable issue. Some experts connect "being responsible" with the pillars of sustainability. Firstly it is very important for businesses to have favourable economic environment and secondly the enterprises should be aware about their environment. A sustainable business integrates organisations effort with human benefits in relation to harmonizing their environmental aspects (Crosbie and Knight, 1995). One major challenge that has created awareness in enterprises is Climate Change. Companies should report the facts and figures about the harmful elements that affect the environment. A company has the responsibility to recognise their obligations to indirect stakeholders (Crane and Matten, 2015). Many other terms are linked to Responsible Enterprise such as CSR, corporate citizenship and business ethics.

Corporate social responsibility (CSR), defined by the European Commission as "the responsibility of enterprises for their impacts on society". But Carroll's (1991) model of CSR argues that the definition should cover four levels; including economic, legal, ethical and discretionary or philanthropic responsibilities.

In 1980's a new term was introduced i.e. is Corporate Citizenship, it is defined as a way company exercises its rights, obligations, privileges and overall corporate responsibility with neighbouring as well as global environment. CC has reference towards the relationship between the individual and the state. In other terms, the rights of the individuals are protected and preserved by the government. Also focusing on that the companies have a set of rights and duties to the community. There are many similar features between CSR and CC such as economic, legal, ethical and philanthropic but the key themes i.e. environmental concerns and sustainability are missing in corporate citizenship. There is a common shortcoming in both that there is absence of enforcement mechanism to meet the obligations. CSR is much wider in scope than corporate citizenship.

An enterprise becomes responsible when it follows business ethics, fulfils social responsibilities,

satisfies stakeholders, improves business performance and creates opportunities for growth and development. The socially responsible business works hard and competes fairly in the market. It never tries to degrade the environment and exploit public. Such businesses advocate that the real responsibility is beyond the boundaries of an enterprise. It also advocates the business responsibility to respect the "human rights". The prosperity of the community, improvement in their quality of life, supporting literacy programmes, local infrastructure like water, roads, sanitation etc are also important concerns for responsible enterprise.

Ethics involves learning what is right and wrong? And then doing the right thing. But in business ethics "right thing" has many different meanings. Major components of code of ethics in business are related to the legal issues; each enterprise must abide to the specified laws and take immediate disciplinary actions, compliance and regulations are also legal requirements which some industries must follow, value based components are very important on the part of the business which include being fair, responsible, trustworthy, respectful, caring and good citizen. Fair and justified actions should be taken against the defaulter.

The base for business ethics for a responsible enterprise is formed through various principles such as honesty, integrity, loyalty, being a leader, morale, fair, caring and keeping promises. With consistent ethical behaviour comes an increasingly favourable public image, and there are few other considerations as important to potential investors, current shareholders and creditors. To maintain a positive image, businesses must be committed to operating on an ethical foundation as it relates to treatment of employees, respecting the stakeholders, environmental protection and fair market practices in terms of price and consumer treatment. Business ethics differ from industry to industry. The type of a business's operations has a major impact on the ethical issues with which it has to deal.

### **EFFORTS OF RESPONSIBLE ENTERPRISES FOR CLEAN WATER AND SANITAION**

Many private as well as public enterprises are planning to overcome this challenge- For example- **Manila Water Company's Water for Poor Communities (TPSB) Programme and the Water & Sanitation for the Urban Poor (WSUP) Partnership.** Economic growth and development is greatly affected by scarcity of water. Agriculture is the mainstay of economic growth and the main consumer of water. There is uncertainty in the water supplies for agriculture due to lack of investment in water infrastructure and weak water governance. Manufacturing industry is also major consumer of water as well as responsible for degrading the quality of water. The energy sector also needs water to

generate hydro power, grow bio fuels and cool thermal power plants. For example, in Latin America, Currently, **Bechtel's Mining & Metals; Infrastructure; and Oil, Gas & Chemicals business units** are working in a project to deliver desalinated sea water to a mine site in the Atacama Desert of Chile at an elevation of 10,000 feet. Climate change such as flood and drought have a significant impact on freshwater system. Pollution, poor sanitation and loss of 70% of the world's wetland have affected environmental stability. For example, with the support of partner organization called **Isla Urbana, employees of Cargill installed 155 rainwater collection systems in Mexico, 143 in houses and 12 in schools.** This helps in preventing flooding in the city. So, this goal can be achieved with coordination and cooperation of private and public sectors of an economy. For example- Gap Inc., **through a joint venture with Swasti Health Resource Centre, is supporting to build water filtration plants in rural areas in India, which are providing clean water to thousands of people. Three systems are currently in operations which already serve more than 4500 households and 29 schools across 30 villages in India.**

### **ROLE OF MNCs IN SUSTAINABLE DEVELOPMENT**

"A Multinational Corporation is an enterprise that engages in foreign direct investment and owns or controls value adding activities in more than one country" (Dunning, 1993). After globalisation, these have contributed significantly in the development of world economy. MNCs are subjected to all round growth in many host countries. The influence of MNCs in the developing countries is closely connected with the socio economic interest of the people of host country. The impact can be either positive or negative depending on the quality of people's welfare. MNCs help in creation of employment opportunities by increasing investments and incomes. Major contribution of these companies is transfer of modern technology which affects the speed and accuracy of the work. Export promotion, rapid industrialisation, improvement of health facilities, and integration of international markets are also some positive impacts of MNCs on society. For example, **McDonald's has introduced some innovative ways such as low flow urinals and landscaping which is drought tolerant. To fight against shortage of water in Australia, McDonald's has started multiple initiatives that comprises of rainwater harvesting and water usage training sessions held for restaurant workers.** But they also have some negative effects such as environmental pollution (water and air) which is caused by the waste of production from the company and harm on the domestic enterprises. For example- **PepsiCo.Inc is an American Fortune 500 Company headquartered in New**

York. According to Indra Nooyi, CEO of PepsiCo Inc., “soft-drinks and bottle water account for only 0.04% of the total industrial water usage in India”. (PepsiCo, 2009). It has been stated that the company practices ‘water piracy’ that has resulted in scarcity of drinking water for the residents of Kerala, India. Business ethics is also an important sphere of responsible enterprise which involves the study of right ethics and conduct in relation to business. For example- **Coca-Cola implemented sustainability to improve their image in the market after reports found that the soft drink giant was funding false reports that claimed soft drinks were not responsible for obesity (Nestle, 2015). This is a matter of ethical concern as sugary drinks can cause diabetes.**

## ROLE OF GOVERNMENT IN SUSTAINABLE DEVELOPMENT

Government plays a very major role in society in maintaining law and order in the economy. It defines a set of rules in which people are expected or allowed to interact with one another on the basis of either force or freedom. Government also performs the functions of protecting the fundamental rights and liberty of the people; it acts like an impartial umpire for its citizens. On the contrary, it is also seen that society governs itself. Democratic government is almost accepted by most of the countries of the world. Society itself chooses a leader for the governance and their representation. There are numerous duties of the government such as military duties, providing civic amenities such as sanitation, secured environment, education, justice and administration. For example, **Indian Government in 2016 decided that states will pay 60% and the central government 40% for investments financed under the Clean India Mission and the National Rural Drinking Water Programme.**

Government also facilitates business and entrepreneurship by formulating business friendly laws, encourages innovations, and promotes public works, grants subsidies and funds for welfare activities like education, sanitation, employment generation, development of backward areas and environment protection. For Example- MNC IBM is providing Bangalore, India with Big Data and predictive analytics technology to monitor and manage their water distribution systems. Modern society expects sustainability and responsibility from its companies which means traditional roles of the companies must be amended. In developing countries, health sector-implemented school health programs that focus on schools in urban areas and/or elite schools. Many projects for school hygiene, sanitation, and water, government funds will be provided through local authorities. The Private sector is also sponsoring in hygiene activities such as free provision of soap, tooth paste, and tooth brushed for poor children. **The Government of India launched the five-year Swachh Bharat (Clean**

**India) Mission to end open defecation. USAID is supporting this mission** by first creating awareness of WASH issues and triggering demand from citizens and local government bodies for solutions. Non – profit organisations like **Blood Water is a NGO** that partners with African grassroots organizations to bring clean water and HIV/AIDS support to one million people in 11 countries. **Water for Good** NGO works with various communities in parts of Central Africa to provide sanitation best practices, improve agriculture activities, and enable people to create sustainable clean water access.

India is second most populous country after China with 163 Million people who lack access to safe water and 210 Million people who lack improved sanitation. According to World Bank, 21% of the infectious diseases in India are linked with unsafe water and unhygienic practices. Innovative approaches adopted by government of India to improve the conditions are **Total Sanitation Campaign of 1999, Microcredit for Water connections in Tamil Nadu, The Jamshedpur Utility and Service company, National Urban Sanitation policy 2008** are some initiatives in this context.

## CONCLUSION AND SUGGESTIONS

According to the facts reviewed in the literature, it can be concluded that environmental consciousness, proper monitoring and taking corrective measures to prevent entry of undesirable elements in the environment must be the top priority of the nations and related organisations. It is found that access to clean water and sanitation is among the major problem faced by the people globally, which needs an urgent solution. Many Multinational companies are making efforts and contributing towards the challenge by collaborations with water management activities. Various enterprises such private, public, NGOs are genuinely demonstrating their involvement in preserving the quality and quantity of water for the community. Some companies are operating very responsibly and ethically to maintain sustainable development. Furthermore, it is also observed that now environmental regulations are being enforced more strictly than earlier and overall “environment awareness” has begun.

Some suggestions and recommendations can be given on the basis of the study. Public participation should be encouraged in maintaining sustainable development. Media should also work on educating people about the importance of sanitation and hygiene. Heavy penalties should be charged for polluting fresh water similarly the group that works for protection of the planet and its people should be rewarded.

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