

# ROLE OF COMMERCE IN SUSTAINABLE DEVELOPMENT

*Dr. Niraj Kumar Srivastava*

Assistant Professor,

Department of Commerce, A.B.R.P.G. College, Anpara, Sonbhadra (U.P.)

---

## **Introduction:**

To put it briefly, sustainable development is about ensuring a better 'quality of life' for everyone, now and for generations to come. As such it is concerned with protecting and enhancing:

The environment and its resources;

Economic conditions and wealth creation;

Social standards including health, safety and equity.

Making industrial and commercial practices more sustainable therefore naturally encompasses many aspects related to the supply of goods and services. It is clearly important to address a wide range of factors including:

### **1. Environmental**

- Quantity and type of materials used;
- Quantity and source of water and energy used;
- Process emissions and wastes;
- Transport impacts;
- Impacts on wildlife and biodiversity;

### **2. Social and Economic**

- Worker health and safety;
- Nuisance and impacts on amenity (e.g. noise, visual impact, access, etc.);
- Worker involvement and acceptance;
- Community involvement and acceptance;
- Quantity and quality of jobs;
- Standard of living;

- Equality of pay and conditions;

Considerable protection is provided by existing legislation across the INDIA which aims to prevent and control pollution and mitigate against the impacts of development. Important directives include the Integrated Pollution Prevention and Control (IPPC) Directive, the Dangerous Substances Directive, the Industrial Solvents Directive, the Packaging and Packaging Waste Directive, the Waste Incineration Directive, the Landfill Directive, the Environmental Impact Assessment (EIA) Directive and many more.

## **Meaning and Definition of Sustainable Development:**

**Sustainable development** is a pattern of growth in which resource use aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for generations to come.

Sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Understand that there is no single definition for sustainable development but the key idea common to all definitions concerns resource exploitation at a rate that would not prove detrimental to future generations.

## **Sustainable development, as defined by the Brundtland Commission (1987):**

"Sustainable development is development that meets the needs of the present without

compromising the ability of future generations to meet their own needs."

**According to the Complete A-Z Geography Handbook sustainable development is defined as:** "Development that meets the needs of the present, without compromising future generations to meet their own needs."

**According to the Direct Government website UK,** "Sustainable development means a better quality of life now and for generations to come."

#### **Objective:**

1. To know the role of Sustainable development in protecting and conserving the environment, leads to the creation of new jobs and of opportunities for the reorientation of traditional skills to new occupations.
2. To Know that whether Basic education is a precondition for sustainable development or not.
3. To ensure the sustainability of the natural resource base, the recognition of all stakeholders in it and their roles in its protection and management is essential.
4. Sustainable development is achieved through optimizing gains from several variables, rather than maximizing those from a single one.
5. Role of Civil society, such as NGOs, CBOs, corporate (including private) bodies, academic and research institutions, trade unions, etc., in planning and implementation for sustainable development

#### **Methodology:**

For the purpose of preparing this research paper the study is based on the both type of data, i.e. Primary and Secondary data

available.

#### **Primary data:**

The primary data is related only through the knowledge, experience and guidance from seniors, colleagues, friends and research scholars.

#### **Secondary Data:**

The secondary data is related to already published data by the different concern, which is taken from various sources of Newspapers, Magazines, Web sites, News letter, etc.

#### **Findings:**

1. The priorities of Less Economically Developed Countries governments and individuals are often short term e.g. meeting the basic needs of population today. For example, providing shelter, food, fresh running water, education and healthcare. Many Less Economically Developed Countries are experiencing internal conflict/natural disasters and money is spent on the military/disaster relief rather than on these basic needs and longer term sustainable initiatives;
2. Corruption makes it difficult to priorities long term issues. Many leaders are in office for short periods of time and are changing often;
3. Lack of funds for sustainable initiatives;
4. Lack of qualified people to develop and implement alternative technologies due to a poor educational system and the "brain drain";
5. Lack of education about finite resources. People do not know or understand the implications of over use of resources;
6. Many regions in Less Economically Developed Countries are inaccessible

due to poor or limited infrastructure. It is, therefore, very difficult to implement a range of sustainable initiatives beyond the urban core;

7. Some Less Economically Developed Countries have economic sanctions imposed from More Economically Developed Countries for political reasons that may hinder the exchange of technologies.

#### **Suggetions:**

1. Environmental cost and liability disclosures in the annual report and accounts of public companies (environmental financial accounting).
2. Environmental risk management and strategic issues disclosed in the annual report and accounts of public companies (environmental financial accounting/corporate governance).
3. Identification and allocation of environmental costs (and cost drivers) and benefits within internal accounting systems (environmental management accounting).
4. Emissions trading regimes and economic environmental instruments such as land-fill taxes (environmental finance/financial management).
5. Accounting for stocks of flora and fauna (accounting for bio-diversity) and accounting for the quantity (and quality?) of so-called 'natural capital' (environmental accounting)
6. Identifying, measuring and reporting on the environmental impacts of organizational activity (environmental reporting).
7. Identifying, measuring and reporting the social impacts of organizations

(social accounting and reporting).

8. Measuring and costing physical emissions and social externalities so as to compute sustainable levels of profit (full cost – sustainability – accounting).
9. Reporting on the economic, environmental and social aspects of organisational activity (sustainability reporting).
10. Verification of environment/ sustainability reports (assurance provision).
11. Providing consulting services in the area of environment, sustainability or reputation issues (consulting).
12. Creating internal environmental management systems and initiating external triple bottom line reporting.
13. Accounting education. The education and training regimes of prospective accountants should be modernized to reflect the importance of social, environmental and sustainable development related issues.

#### **The main areas of concern at the global level are:**

1. The failure to explore how environmental and social issues (and related risk issues) might be integrated into financial reporting standards generally
2. The deferral of a standard on verification of environmental reports (currently on the agenda of the International Auditing Practices Committee – now renamed the International Audit and Assurance Standards Board)
3. The absence of any strategic plan at the IFAC level for dealing with social, environmental or sustainable

development related issues. This is probably of greatest concern in the areas of accountancy education and financial management.

### Conclusion:

Commercorperate globally and across all sectors – they are thus well placed to argue the business case for sustainable development – once they have the tools to do so!

As of end 2011, a great deal of developmental work has already been done, and many of the requisite skills are generally available – even though considerable amounts of profession-wide training are still required. Nevertheless, only a tiny handful of professional bodies are currently using (or even anticipating using) their syllabi as a means of promoting environmental or sustainable development issues. To date, almost all the responsibility for engaging in the sustainability debate has been absorbed by a small number of professional institutes, big firms and a number of forward-looking Commerce council.

A key issue in determining whether or not the profession can progress and take up the responsibilities for which it is well equipped, is the extent to which the key global representative bodies – the Indian Federation of Accountants and the Indian Accounting Standards Board– are prepared to take a broader view of their public interest roles. The major representative's bodies of the Commerce profession should add social, environmental and sustainable development issues to their core agendas as a matter of urgency.

### References:

1. *Narasimhan Committee. (1991). Report of*

*the Committee on the Financial System, Government of India.*

2. *Parliament of India (Loksabha), (2004). Motion for consideration of 'The Regional Rural Banks (Amendment) Bill, 2004.*
3. *Professor Dilip Khankhoje and Dr. Milind Sathye, 2008. "Efficiency of Rural Banks: The Case of India",*
4. *International Business Research-CCSE, Vol-1, No.2.*
5. *Rangarajan, C. 1995. "Inaugural address at the 18th Bank Economists' Conference', Reserve Bank of India Bulletin, December, XLIX (12), Reserve bank of India, Mumbai.*
6. *Report on the Trend and Progress of Banking in India 1995-96, Reserve Bank of India Bulletin, March 1007,34-35.*
7. *Sathye, M. (1997). 'Lending Costs, Margins and Financial Viability of Rural Lending Institutions in South Korea', Spellbound Publications, Rohtak, India.*
8. *Sathye, M. (2001). "X-efficiency in Australian Banking: An Empirical Investigation", Journal of Banking and Finance, 25,613-630.*
9. *Second Narasimhan Committee. (1997). Committee on Banking Sector Reform, Gazette of India-Extraordinary Notification, Part II, Sec 3 (ii), Ministry of Finance, Government of India.*
10. *Subramanyam G. (1993). "Productivity Growth in India's Public Sector Banks: 1979-89", Journal of Quantitative Economics, 9, 209-223.*
11. *Thakur, S. (1990). Two Decades of Indian Banking: The Service Sector Scenario, Chanakya Publications New Delhi, India.*
12. *Tyagarajan, M. (1975). "Expansion of Commercial Banking- An Assessment", Economic and Political Weekly, 10, 1819-1824.*