

Sustainable Sri Lanka: A new tagline option and a stable development plan for the future

By CHERANKA MENDIS

CHAIRMAN and founding member of CSR Asia, Richard Welford was in Sri Lanka for a hands on two day training course titled 'Embedding global compact and sustainability in to your organisation'. Organised by UN ESCAP, Global Compact Network Ceylon and The Global Compact Regional Support Centre Asia Pacific, the course was taken up by 36 participants from some of Sri Lanka's leading corporate entities.

Taking a break from the training session, Welford joined Daily FT for a quick chat on sustainability, private sector role in the development and the way forward for Sri Lanka. Below are extracts from the conversation.

Q. Sustainability has been defined in many ways. How would you describe sustainability?

A. The context I come from is the private sector, so what I am interested in is sustainability and the contribution the private sector can make towards disciplining development. Sustainability should ideally be defined according to what

works for a country. The gist of it is the balancing act between environment, development and the community.

Q. In a Sri Lankan context, what are the key challenges you see for the country in terms of sustainable development?

A. In a country like Sri Lanka 'sustainability' means looking at what the challenges are and then working around it. The country should particularly look at the fact that Sri Lanka is still a developing country- there are wealthy people along with a lot of poor people as well.

Development is about making sure we think about poor people in particular and contributing towards poverty alleviation. It is also about environment, dealing with environmental damage and climate change threats.

In the context of Sri Lanka it is in many ways a country that has an amazing environment and biodiversity and like a lot of developing countries, the fact that it is not over developed in many ways has protected the country. The real challenge in Sri Lanka will be how you can grow out economically and develop but at the same time maintain what is attractive about Sri Lanka - ie. the biodiversity, the beauty, the nature, the culture, heritage etc.

Q. Sustainability and tourism seems to be a highlighted topic in business circles. How does this work especially in Sri Lanka?

A. The tourism industry has huge potential in Sri Lanka but it has to be managed well and developed in a sustainable way. In the tourism sector we could say tourists spoil tourism. I have spent a few days in Sri Lanka looking around and it is amazing. I am going to go back and tell everyone to visit Sri Lanka and spend more time here. The old temples, and the monasteries are amazing. Added to that the nature, the environment, the biodiversity all play a good part in making Sri Lanka what it is. The challenge the country will have is how they are going to protect it and at the same time scale up development as well.

We shouldn't start developing inappropriate tourism, inappropriate hotels in inappropriate places. Hotels are causing so much environmental damage it is unbelievable. That is the challenge for Sri Lanka.

Q. How do you suggest we maintain the balance?

A. When a country like Sri Lanka develops it should be inclusive. One of the main problems we have in Asia is that we have a rather rich middle class and still a long line of poverty. China is the best example. The distribution is not right. It should be inclusive so that everyone should benefit and engage the poor and bring them towards the develop-



CSR Asia, Chairman Richard Welford

ment process.

In a funny sort of way, because Sri Lanka has been on hold for some time there is an opportunity to leapfrog what is happening in other countries; leapfrog the mistakes some other countries have made and

move straight to best practices.

Q. When compared to other countries in Asia, where does Sri Lanka stand sustainably?

A. Sri Lanka is actually quite advanced in a sustainable way. Perhaps because of the conflict Sri Lanka was on hold for many years and nothing much happened in the country; and in some ways this has protected the environment. But this is going to change very rapidly with the peace dividend and development happening now.

The question is not so much where Sri Lanka is now but where does it want to be?

And I hope you become a leader. I have been joking about the fact that when it comes to branding countries we talk of 'Incredible India', 'Amazing Thailand', 'Malaysia Truly Asia' so why not 'Sustainable Sri Lanka'?

Part of the reason for coming to Sri Lanka is to experience real sustainability and that is the challenge for our operators, hotel companies. They need to come up with ways to develop the industry in a more sustainable way.

Q. What role should the private sector play?

A. I think private sector must be a leader. It is not about what role to play; but often when private sector takes the lead we get effective sustainable strategies. It must be a partnership between business, government, NGO and common society.

But I actually think that businesses in Sri Lanka could take the lead in many ways. Particularly the big businesses in Sri Lanka has taken the initiative, they just need to see sustainability as a strategic part of the business which I believe it is. I believe that people will actually come to Sri Lanka to see what you got and that's why it's absolutely important that you preserve the environment, biodiversity, cultural heritage - everything that people want to see.

Q. What are the benefits of a sustainable business?

A. If you think about like, the countries that you like, and the companies that you trust, you will then start realising what the benefits of social responsibility are. It is about brand, it is about reputation, it is about the image you portray but mostly about trust. We do business with brands we trust, we buy products we trust, stay in hotels we trust. It is part of the package around brand and reputation. You cannot put a monetary value on that but you know it is good for business.

We talk about branding, the level of company, for me it is what Sri Lanka should think about as well. What is the Sri Lankan brand? What does it stand for? Sri Lanka has the possibility of aligning the Sri Lanka brand with sustainability.

Q. Comments on climate change, adaptation and engaging in business?

A. There are two things companies in Sri Lanka must do.

- Look at their own impact on climate change. Look at their own green house gases, emission etc.
- Realise that climate change has already happened. Thailand floods

were a cause of climate change and more of such will happen more often.

We should now start thinking about adapting to climate change. Thinking carefully of where and how we develop.

Sri Lanka being an island will have an impact in terms of sea level rises. It may not be as bad as other countries, but there will be an impact. Now we must think of the future and what is going to happen in 20 or 30 years time.

Q. What are the main concerns all over the world when it comes to sustainability and climate change?

A. Environmentally, the challenge is climate change. And the fact is that we are now losing biodiversity faster than ever before. We are now losing species at a shocking rate, losing species we haven't even discovered. It is that bad now. We really need to try and slow that pace.

On the social side I still think we have to get into grips with poverty. There is a lot more we can do to people who are poor in the world, people who have no access to literature; there are far too many mothers and babies dying; there is also poor healthcare, and we need to deal with diseases that are preventable. There are still a lot of challenges concerning poverty.

The other challenge we have to come to grips with is the unsustainable level of consumption by the rich around the world. Most rich people in the world are really consuming too much of resources and that is an issue we need to deal with.

We have climate change because we have created too much Carbon Dioxide and other greenhouse gas emissions. We have created too much green house gas emissions because we consume too much. We consume too much products that are environmentally damaging. Sooner or later we will have to have a mature debate about how much we (I say we as I consider myself to be rich in the said scheme of things) actually consume.

Q. What is the consumption gap between the rich and the poor?

A. America has 4% of the world population but consumes 26% of the world resources: that is the gap at a country level. It is easy to point the finger at USA a lot of us like to do so, but the point that really worries me is that consumption of an average USA family is now being replicated in Asia. We have a rich Asia and they are every bit as unsustainable as America and Europe.

Look at China, the consumption and behaviour of the middle class Chinese is something incomprehensible. Four litre four wheel drive cars to get around Shanghai why? It is absolutely crazy! You cannot longer point your finger at Europe and America but we have to look at our own countries and our own behaviour in terms of consumption.

Sri Lanka will now have to be very careful. Middle class will grow and what must be done is to go back to the point of inclusivity and make sure when the middle class becomes more and more successful, (and that is a good thing because these are the people who drive development) to always think about how we can include the poor in the development change.

Q. Sustainability and ethical business. SL has a thriving ethical clothing industry. Will this help Sri Lanka in branding itself?

A. This is about positioning Sri Lanka as a sustainable country. It is very interesting that countries like Norway have tried to do this. I can see Sri Lanka doing that: an ethical clothing industry, sustainable tourism industry, agricultural industry where best agricultural practices are used, organic food production, ethical tea etc.

The whole of Sri Lanka can brand itself as a sustainable country, easily because at the moment Sri Lanka is much more sustainable than most countries in the region because it hasn't developed much.

Q. What role should a government play in ensuring that the country stays sustainable?

A. Government has to provide leadership. I do not believe the government has to do everything, I think the government needs to be a coordinator and needs to persuade, cajole and make certain people act in a more sustainable way.

They need to take the leadership role. They need to play a role in bringing different parties together, creating sustainable development agenda. Also the facilitation is an exercise and the actual practices of the government itself, in terms

of procurement, buying goods and services should be done sustainably. They can be leaders by developing their own best practices and managing their buildings, in their procurement strategies, in the way they treat their own staff.

It should coordinate, particularly with the private sector. If the private sector decides to do something they usually do it pretty well. Therefore, the government should be encouraging the private sector.

Q. How was the workshop? What are the key areas discussed at the workshop?

A. I am impressed by how people are bringing together ideas, focused on poverty and environment here. The companies here understand that need for sustainability and are actually quite good in bringing together the issues.

The challenge is to always localise CSR- try and look at what is happening on the ground and one of the things that were being emphasised is stakeholder engagement. When you are developing your business, when you are developing a project you need to talk to your community, particularly the poorer people.

You have to define social responsibility by talking to other people, by talking to the poor in Sri Lanka by talking to the poor in Sri Lanka and see what they want. Trying to alleviate poverty by imposing your ideas on what is good for poor people but talk to the poor and see how they want to develop.

Q. What is the message you want to give Sri Lankans?

A. Sri Lanka is at an absolutely critical point. The country can go two ways. We know that Sri Lanka will develop and grow very fast and it can grow in a very sustainable manner. Or it can grow completely out of control, which in the long run will be a threat.

A choice has to be made. What we are trying to do today is trying to engage with the private sector. You need to be part of the sustainable journey and you need to be part of making sure that the development is not unsustainable out of control and ends up destroying itself. That is what happens in most countries. They inevitably destroy themselves. Sri Lanka now has a choice and I hope the country makes the right one.

Pic by Upul Abeyasekera

FT Quote

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