

# Ensuring Sustainable Development of Common Man through Sufficiency Economy Philosophy: Indian Cases

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## Abstract

India is the one of the fastest growing economy of the world. In spite of continuous technological and economic developments, the country is still under pressure to find solutions for sustainable development. Because it is not only the government alone, who is responsible for development of the country but it also needs help and support from other organizations. Government can take necessary steps to formulate and implement policies for a common man but the companies, along with NGOs, should also come forward voluntarily to help common man to uplift the society. Already there are Indian companies and NGOs which are giving helping hand in sustainable development of India through their vital efforts to improve life of common man. Hence, this paper, first of all, discusses evolution and definition of the concept of sufficiency economy. Secondly, the study talks about the concept of sustainable development in relations to common man. The study further draws evidence from literature to study contribution of sustainable development towards sufficiency economy. Finally, it includes the cases of such Indian NGOs and companies, which are contributing various sectors of nation by elevating life of a common man in light of sustainability and sufficiency economy philosophy.

## Keywords

Sustainable Development, Sufficiency Economy and India.

## I. Introduction

A large proportion of India's urban and rural population lacks the income or assets to meet their needs. The government putting its effort to address the issues related to common man which continues to be a major challenge within the country and the region. The companies think that the rich will be served by the corporate sector and governments or NGOs will protect the poor and the environment. The government cannot raise the standard of a common man alone, therefore, the companies of corporate sector has to come forward to give helping hand for sustainable development of people and nation. Many companies are accepting this challenge and developing business models designed to return a profit for the company whilst including the common man. Hence companies are moving ahead towards sufficiency economy.

This paper discusses firstly, the concept of sustainable development and common man. Secondly, it describes scenario of Indian companies associated with common man along with contribution of sustainable development in achieving sufficiency economy. Thirdly, it discusses the cases of different Indian companies and their initiatives in the transformation of agriculture, healthcare, microfinance, innovative products and finally through other institutions to achieve sufficiency economy through development of common man. Lastly, the paper concludes with few remarks on the various initiatives of the companies.

## II. Concept of Sufficiency Economy

Concept of sufficiency economy came from Thailand itself when the king rolled out this concept and it was appreciated by

United Nations Development Program (UNDP) for sustainable development. King Bhumipol during his annual "birthday speech" on December 4, 1997, coined the concept of sufficiency economy and in his speech, he mentioned that,

*"Recently, so many projects have been implemented, so many factories have been built, that it was thought Thailand would become a little tiger, and then a big tiger. People were crazy about becoming a tiger. Being a tiger is not important. The important thing for us is to have a sufficient economy. A sufficient economy means to have enough to support ourselves. Those who like modern economics may not appreciate this. But we have to take a careful step backwards."*

This speech was healing those people who were in shock of economic collapse. The speech revealed the importance of sufficiency economy philosophy and raised the issues of overall development of society to become self sufficient. The concept also targeted companies to think in this direction. But it is interesting to know that the concept remained unclear for many years and finally after report on Thailand by UNDP in 2007, it gave much clear objectives of sustainable development from grass root level [4, 21]. After that the concept was explored and defined by several researchers. According to Hongsraragon (2009), "Sufficiency Economy is a philosophy that stresses appropriate conduct and way of life while incorporating moderation, reasonableness and self-immunity." It is clear from definition that sufficiency economy revolves around the concepts of moderation, reasonableness and self-immunity and initiated discussions on overall development of the people, business and hence, country [9].

## III. Sustainable Development and Common Man

The term "sustainable development," coined in the early 1970s at the Tokyo Declaration on Environment and Development, first gained currency at the Stockholm Declaration of 1972 [15]. After that, Brundtland Report, 1987, named "Our Common Future", broadly defined sustainable development as "development that meets the needs of current generations without compromising the ability of future generations to meet their own needs" (WCED, 1987; p.24). This report defined the true role that business has to play in society in light of environmental, economic and social criteria. The definition deals with the fulfillment present needs along with their affect on future needs, therefore some steps have to be taken today to save future of coming generations [22].

The report of Planning Commission of India given by Tendulkar committee (2009), reveals that 37.2% of people in India are below poverty line. They are among the largest poor group in the world [20]. Moreover, the people with income less than 1.50 lakhs per annum are treated as base of pyramid. Basically, people below the income of 3 lakhs per annum are assumed to be fall in the category of common man. Here the target population is the people who are having income less than 3 lakhs per annum [17].

As sustainable development deals with fulfillment of needs of the human beings while avoiding adverse effect on environment and society. No doubt that the companies can only survive when they would be profitable, but they are bound to take care of social and environmental aspects (Kirchgeorg and Winn, 2006). On the other hand, economic, environmental and social criteria have become important drivers for long term success of business. Therefore, companies have to develop strategies for uplifting the standards of a common man [14].

## VI. Indian Companies and Common Man

*“Modern day concepts like Corporate Social Responsibility and sustainable business are not borrowed from developed economies but have been nurtured over the millennia by our rich ethical traditions. It is indeed, now for us to add to the global repositories of evolving concepts by imprinting India’s unique flavor on them. As India continues its journey towards economic prosperity and growth. I am sure Corporate India will contribute to our efforts to fulfill the dreams of the aam adami (common man).”*, Manmohan Singh (Ex Prime Minister of India)

The above statement given honorable Prime Minister of India reveals that Indian companies neither adopted any practices from other countries nor told to contribute towards development of common man, but they are doing it voluntarily of their own. It is also expected that they will continue this kind of practices in future for sustainable development of the country through development of common man [13].

## V. Contribution of Sustainable Development towards Sufficiency Economy- Evidence from Literature

The contribution of sustainable development towards sufficiency economy has been discussed by various authors. Sathirathai and Piboolsravut (2004) in their paper discussed the sufficiency economy from the point of view of sustainable development and took the case of Thailand itself for the study. It basically, covered the two case studies. First one is focused on elevating poverty and healthy society and the second case explored the use of appropriate technology through innovative products in agriculture practices. This study revealed the role of sustainable development practices to achieve sufficiency economy [16]. In another study, Kaewpijit (2009) also took the case of a village in Thailand in his study and emphasized on the importance of developing human capital. The study described these informal activities using sufficiency economy philosophy for sustainable development of society. Moreover, he also talked about the role of providing financial facilities to common people to enhance growth and development [11]. Khunthongjan and Wiboonpongse (2010) surveyed 120 small and medium enterprises in Thailand to evaluate their sufficiency economy performance on the basis of cost and quality of products, innovation and adaptability to change. This study motivates the other companies worldwide to adopt sufficiency economy practices [12]. Hence, all the studies revealed that the development is needed in various sectors of the economy in a country, for which the development of common man is very necessary and essential area.

## VI. Cases of Indian Companies

The paper up till now discusses the importance of achieving sustainable development for common man, which in return has potential to contribute to the sufficiency economy. Now it will be interesting to see the various practices which are helpful to achieve

sufficiency economy in light of sustainable development. Many efforts are being made by Indian companies in different fields to uplift the life of a common man through implementation of various practices which are not only contributing to sufficiency economy but also to sustainable development of the country. Here are some of the examples illustrating the efforts put by companies for growth and development of a common man in different directions.

## A. Transformations in Agriculture

### 1. ITC- e-Choupal

An impressive example of corporate strategy is ITC’S e-choupal which works for the benefit of small and marginal farmers using internet. This segment of farmers makes up 75% of Indian population. E-choupal strengthened Indian economy by facilitating farming related information such as weather prediction, profitable price, and market related information. This way, it has benefited around 4 million farmers in managing risk by providing best deals to farmers, implementing superior practices, and following food safety norms. Economic survey of government of India (2006-2007) has also praised e-choupal for its *“transformational impact on rural lives in India”*.

ITC strategize e-choupal to become a two-way multidimensional channel for delivering goods and services inside and out of rural India. With such links of digital infrastructure to rural business and agriculture services, ITC has changed the mode of business and perspective towards rural markets in India. The network of e-choupal has spread across 6,500 centers in 40,000 Indian villages for the expansion of wheat, rice, pulses, soya, maize, spices, coffee, and aqua-products. In return, villages are provided fast movable consumer goods, durables, automobiles, and banking services [10].

### 2. Tata Consultancy Services- mKrishi

Mobile Agro Advisory System (mKrishi) of TCS empowers the farmers for agriculture related decisions, generating profit, and preserving environment. TCS’s mKrishi facilitates farmer the information related to soil, seeds, crops, weather, fertilizers, and price of local market through mobile phones. It also makes farmers able to send their farming related queries to the agricultural experts [19].

## B. Transformation in Healthcare

### 1. Apollo Hospitals- DISHA Project

DISHA is a project for the advancement of distance health care. This is a telemedicine initiative of Apollo hospitals, Philips, Indian space research organization, and Dhan foundations. It provides health care services at affordable cost to the vulnerable population located in remote areas of India. This Tele-clinical van provides ultrasound, X-ray, defibrillator, and ECG testing facilities with specialist doctors and operational staffs of Apollo hospital to those, unable to get medical care. Thus, the van offers facilities such as lab, onsite consultation, and other required care with the combination of technology and specialized medical professionals to the needy [2].

### 2. The Yeshasvini Scheme

State Government has introduced Yeshasvini Cooperative Farmers Health Care Scheme to the Co-operative farmers of Karnataka. This scheme is inaugurated by Karnataka’s Chief Minister Sri

S.M.Krishna on 14 November, 2002 and is operationalised on 1st June, 2003. The introduction of 'Yeshasvini Self Funded Health Care Scheme' has made Karnataka a role model state.

#### (i). Self Funded Scheme:

- Yashasvini comes among largest self funded scheme in the Indian healthcare industry.
- With less priced products, it provides near about 1600 surgical procedures to the cooperators and other family members of farmers.
- In this contributory scheme, farmers give small amount of money yearly for assessing any surgery for a fixed period of time.
- After this contribution, the beneficiaries are provided required treatment without paying any cash, on the conditions of scheme at network hospitals in Karnataka.

#### (ii). Salient Features of scheme:

- For receiving benefits related to Yeshasvini scheme, the person should be a member of state's rural co-operative society at least for 6 month.
- Other family members of beneficiary are also entitled for receiving the scheme related benefits, irrespective of their non-association to rural co-operative society.
- Each beneficiary are required to give Rs. 160/- annually as member contribution for the year 2011-2012.
- The enrollment period for every year begins in January/February and closed in August.
- The benefits of scheme can be obtained by members belonging to rural co-operative society, self help group or Sthree Shakti group, Weavers, Beedi workers, Fisherman cooperative society and those associated with cooperative society/banks for its financial transactions.
- The upper age limit for obtaining benefits is decided as 75 year.
- The scheme starts from June 1st and ends on May 31st every year.
- Further, it covers rural areas of Karnataka apart from Corporation and Urban cities [23].

#### C. Transformation through Microfinance

Microfinance offers small loans and other financial services to poor people such as credit in affordable rates, money saving, and Insurance for unpredictable conditions. This way, it supports around 2-3 billion poors of the country, i.e. "Base of pyramid". This service makes poor people able to overcome from their vulnerability and helps them in starting business and increasing income [1].

#### A. Aavishkaar Goodwell

Aavishkaar Goodwell is a for-profit business development company. It supports enterprises related to Indian microfinance sectors by offering equity finance on a socially and commercially sustainable basis. It's a combined initiative of Goodwell investment, a Dutch social investment firm and Aavishkaar India, world's first for-profit micro venture capital fund. It intends to advance the financial services in affordable manner to those belonging to base of the Pyramid, contributing in poverty alleviation and sustainable development. For which, the company develop and scale up enterprises active in microfinance sector and integrate them into financial sector. Its purpose is to understand "benefits of scale": a substantial social impact and an attractive financial

return [1].

#### B. Basix Group

Basix has started working from 1996 as the first "new generating livelihood promotion institute" of India. Bhartiya Samruddhi Investments and Consulting Services (BASICS Ltd.) is the holding company of BASIX Group. Basix group has also setup fund based companies named as Bhartiya Samruddhi Finance Ltd. (1997) and Krishna Bhima Samruddhi Ltd. (2001). Bhartiya Samruddhi Finance Ltd is a micro finance non-banking finance company and Krishna Bhima Samruddhi Ltd is a local area bank. It has also started offering fee-based business in form of training, consultation, livelihood promotion, Human Resource Development (HRD), Institutional Development (ID), and Information Technology (IT) for livelihoods and microfinance. The research and development of BASIX are supported by Indian Grameen Services, not for profit company under section 25. It also works in designing and developing financial products meant for extending credit, distribution channels, and other requirements for service delivery like accounting and MIS. The Livelihood School, as an independent society works for training and building knowledge to professionals belonging to government agencies, NGOs, banks, and MFI. Social business, fund-based, and fee based services of BASIX Group show remarkable harmony with each other for growth and prosperity. Among the services of BASIX, credit business facilitates customer acquisition, insurance business diminishes risk in credit, consulting and IT business help in revenue generation, AGBIDS business retains customers through income augmentation and social business provides hand in research, development, and knowledge building [3].

#### D. Transformation Through Product Innovation

Facilities such as car, refrigerator, electricity, and consumption of clean water were beyond vision of rural and urban residents of India. But now, possession of such dreams is possible for a common man because of availability of products in affordable range. Indian companies are providing various innovative products according to the need of the common man. Some of the examples of such companies are as follows:

##### 1. The Godrej Group

The Godrej Group has introduced a cheapest refrigerator, 'Chotukool', for common man in India. This 7.8 kg refrigerator is having 43 liters capacity and cost only Rs. 3,500. It runs through battery and cools the food item with the help of specially developed chip. In the view of G. Sunderraman, vice president, corporate development of Godrej & Boyce, "All the manufacturers view each other for meeting the demands of high-end users, but what many forget is that it is the segment of non-users that's the biggest market in India. With 'Chotukool', we target the bottom of the pyramid customers who don't even use refrigerators. Our refrigerator runs on a cooling chip and a fan similar to those used to cool computers. It also uses high-end insulation to stay cool for hours without power. It consumes less than half the power consumed by regular refrigerators". Further, he assured that "With Chotukool, Godrej Group is aiming for a unique position in the market in terms of pricing and features. At the same time, we also want to ensure the smiles on the faces of our customers." For distributing of this refrigerator in villages, company has connected itself with self-help groups, non-governmental organizations, and micro-finance institutions [17].

## 2. Tata Chemicals Limited

Tata, with the help of nanotechnology, came with a now-electric water purifier product, at the cost of Rs. 799 and Rs. 999. After four years of research, this product is launched in 2009 and named as "Swatch". Tata Research Development and Design Center as a subsidiary of Tata Consultancy Service, has developed rice husk ash made purification kit which can purify 3000 liters of water. Purification of water, costs only Rs. 1 per day for a five members family. Similar to Tata Chemicals and Unilever Limited, Godrej is also showing interest to come into low cost purifiers market [18].

## 3. Cosmos Ignite Innovations Private Limited

Cosmos Ignite Innovations Private Limited is a Joint Venture between the team of young entrepreneurs from New Delhi, India and Stanford University, USA. This venture is named as "Social Entrepreneurship" and is aimed to "Empowering lives through innovative products".

The design and assembly facility is located in Gurgaon, India. The first product of the company is based on solar light, using revolutionary new LED technology. This product, named as Light Emitting Diode, lasts for 30 years if using 8 hours per day (100,000 hours). Another, multipurpose water and shock resist product is "MightyLight". This is a unique low cost, long-life, energy saving and without maintenance environment friendly product which can be used as mobile light, wall light, and ceiling light [7].

## E. Transformations of Human Capital

### A. DHAN Foundation

DHAN Foundation (Development of Human Action) is an organization working for professional development of educated and motivated young men and women. It was started on October 2, 1997 with the mission for making new innovations in development to remove poverty from India. Major objectives of DHAN are:

- **Mothering of Development Innovations:** To encourage and cultivate new ideas for removing poverty, the institution works on developing microfinance, small scale irrigation, and dry land agriculture with Panchayats.
- **Promoting Institutions to reach scale:** The institution also focuses on sub-sectoral development by promoting exclusive thematic organizations. This helps in ensuring that the benefits are reaching to poors of the country.
- **Human Resource Development:** The institution provides opportunity to the young professionals for practicing and developing knowledge, skills and attitude that would be helpful for their long-standing in organizations [8].

## F. Transformations through Other Institutions

### 1. CII-ITC Centre of Excellence for Sustainable Development

The CII-ITC Centre of Excellence for Sustainable Development helps in chasing the goal of sustainability for Indian businesses. It facilitates a favourable environment by generating ideas and awareness for achieving sustainability in various fields. This center works as a source for creating ideas and practices for upholding sustainability. It helps the business houses in transforming their strategies and processes in concern of sustainable development. This center also identifies the business houses having exceptional contribution in sustainable development which makes those businesses a role model for other corporations in India.

The Centre of Excellence:-

- Awareness of sustainability issues
- Organize professional training for sustainable development to small, medium, and large companies.
- Promote sustainability by leadership [5]

## 2. The Coca-Cola India Foundation – 'Anandana'

Coca-Cola India Foundation is registered under the Section 25 in Company Act, 1956. This Foundation is showing concern for sustainable development by focusing on issues related to water, environment, social progress, and healthy living related for helping people in living better life. For which, the Foundation provides monetary grants and other required support to NGO's cooperatives, beneficiary and charity organizations for the social welfare of country. It also participates actively to make sure the execution, maintenance, and sustainability of the projects in these organizations [6].

## VII. Discussion and Conclusion

From above discussion, it is clear that companies along with NGOs are working towards welfare of common man. No doubt that if companies will continue their effort towards sustainable development, soon they will be able to achieve sufficiency economy. But, the major hurdle is that very few companies are involved in these activities. Moreover, these activities are also confined to few places and states. Therefore, there is need to extend these practices nation wide. The world is already looking at India as a source of value creation by virtue of its large market size and its ability to offer cost savings through its low cost, highly efficient, English speaking skilled labor force. This is enough to record impressive economic growth, but to achieve leadership status, India must give the world new practices and should come up with new ideas for growth and development for common man to achieve sufficiency economy.

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