

Sustainability in the developing world

The wasteful West has much to learn from developing markets, where recycling and conservation efforts are a matter of necessity

By Kamini Banga

There is a perception that developing economies in their pursuit of growth are not concerned about climate change or the environment. Yet, the highest scoring consumers in terms of their environmentally sustainable behaviour were in the developing economies of India, Brazil and China, according to the 2009 Greendex survey conducted by the National Geographic Society and Globescan. Americans, Canadians and Japanese brought up the rear.

It is, however, not through design or efforts to protect the environment that Indian consumers lead the green league tables. It is due to scarce resources and low incomes. They have lower ownership of electrical appliances, meaning cold-water baths and houses with no heating. They also lack an adequate water supply, and the long walk to work is because private transport is prohibitively expensive and public transport is non-existent. Most Indians are vegetarians, not out of choice but because they cannot afford meat.

But, will these developing economies continue to top the Greendex scores as they evolve? According to political scientists Inglehart and Welzel, the value system of a society is based on its social and economic development.

Consumers in developed nations have made the shift from materialist to post-materialist priorities – from economic and physical security to self-expression, quality of life and greater sensitivity to abstract risks such as the ecology, global warming, and genetic engineering. In contrast, most developing economies are still in the survival mode, where immediate needs of hunger and security are the most pressing concerns, but

they seek to follow the developed world up the consumption ladder.

The affluent and the young in both the developed and the developing world are demanding environmentally-friendly products and services at affordable prices. In both types of economies, the imperatives are common: 'Do more with less'.

CK Prahalad talked of sustainability as a business imperative and called for Gandhian innovation that recognises the challenges of scarcity and affordability in India. Such innovation from the developing economies – India in particular – offering low cost, low resource consumption solutions, could be very relevant in developed economies as well. The following are some examples of this innovation:

1 Resource efficiency

Unilever in India sells a low-foaming laundry detergent that uses half the amount of water of normal washing powders. It is very popular where there is an erratic water supply. This could make a big difference in developed nations.

Small Indian cars, such as the Nano, offer unparalleled fuel efficiency, reducing carbon emissions. Godrej in India has announced the launch of Chotukool, the world's lowest-cost refrigerator: it uses half the power of a conventional device and runs on a battery. At \$69, the Chotukool costs around 35% less than the cheapest refrigerators. The Kiran solar lantern provides up to eight hours of bright light after a day's solar charge and costs only \$10.

2 From over-engineered products to simpler ones

Most products in mature economies have built-in features that are never used. We are all aware of the many features on our

computers, mobile phones, music systems, cars, other appliances that are never ever put to use but which push up prices.

Nokia has produced basic phones that come without cameras or music playing features. Mahindra & Mahindra developed low-cost tractors for cash-strapped Indian farmers, which found a market among American weekend farmers or those indulging in 'hobby farming'. Shampoo sachets created a revolution in India as they opened the market to a low-income consumer segment; they are single serve and do away with large, costly and non-biodegradable packaging.

3 Meeting gaps in infrastructure

The lack of infrastructure in developing economies results in poor availability of products and services. This has led to a host of solutions. For example, the lack of refrigeration has spawned ready-to-eat meals, vehicles have been designed to cope with poor highways, and the lack of financial and regulatory infrastructure, resulting in a shadow economy, has given rise to legitimate businesses.

GE has produced an affordable, portable heart-monitoring device for the Indian market. It can be used in far-flung areas that lack health care facilities. In wealthy countries, it could be used by small health units or independent doctors in remoter areas, reducing the need for patients to travel.

India and the rest of Asia are big on mobile phones and lacking in banking infrastructure. Nokia Money is a new mobile financial service, enabling consumers to send money to another person, pay utility bills, pay merchants for goods and services, or recharge their prepaid SIM cards. Nokia is building a wide network of Nokia Money agents, where consumers can deposit money or withdraw