
Billionaires and mud huts



By [Zoe McKay](#)

Asia may be today's economic miracle but too little water and too much poverty could derail the growth engine of the world. Zoe McKay talked with global strategist, Ravi Fernando.

"Asia today has two major sustainability issues," says **Ravi Fernando**, CEO of the Sri-Lanka Institute for Nanotechnology (SLINTEC). "One is the shortage of water, and the second is poverty. If we look at poverty - the figures - one in two people in the world earn less than two dollars per day," he says. "A good percentage of that "below-two-dollar population" is in Asia."

According to Fernando in an interview with INSEAD Knowledge, the two "Asian giants" - India and China - are beginning to seriously address these issues. "China is probably the world's factory today, manufacturing almost 60 to 70 percent of the world's goods. They have been able to pull around two to three hundred million people out of poverty. Now that is an amazing achievement." So poverty today might not be the most serious problem in the long term. Water is. Around 70 to 80 percent of China's available water resources are polluted; water management has become a priority.

"[We] need to clean up our rivers and clean up our lakes; there is a need to collect our rainwater and there is also need for improved desalination." says

Fernando. “And some countries are probably farther ahead of the curve than others. But the key point is that the world’s sustainability issues will also be impacted if Asia doesn’t solve these issues.”

Proportionally, the majority of the world’s freshwater resources are found in the northern hemisphere, and Fernando feels that this problem needs to be quickly addressed and not only by emerging economies - or it may well result in a whole new type of migration that he calls “environmental migration.”

“The European Union and countries in the West need to engage with this and quickly share their knowledge and technology with the southern hemisphere to address the issue of natural resource management.” And by this he doesn’t necessarily mean along the lines of a Western model but insists on the need to bring people “out of poverty but towards sustainable consumption” as a concerted effort between developed and under-developed nations.

“If the developed and the developing world don’t see [sustainability] as a common objective and a common goal, I think we are all going to lose this battle. The time has come to put aside boundaries and ask the question ‘What are the key issues we need to really address when managing a sustainable world?’”

But for sustainable energy and managing consumption to be achievable, Fernando says that two things have to happen.

Role for governments and businesses

“Governments must have sustainable policies - not just policies that give you a tick on a global review but meaningful sustainable policies which are relevant to that nation, and that address the economic, social and environmental issues encouraging both business and consumers to move towards sustainability.”

Secondly, business has to recognize that there are tremendous opportunities in “moving towards green business, green economies, and it makes sense for the world.”

Fernando has a great deal of experience in sustainable business model development. In his previous position as Director of Corporate Branding & Strategic Corporate Responsibility at MAS Holdings Ltd, the largest supplier

of intimate apparel, sports and leisurewear in Sri Lanka, he launched “Women Go Beyond” - an internal programme to empower the 80 percent women employed in a 43,000 strong workforce.

“Sri Lanka has had a huge history of social sustainability through women’s empowerment. We had the first woman prime minister in the world and also equal voting rights at a very early stage... here was an economy that somehow had engaged women in society in economic endeavors.” However, the social status and good salaries were missing.

“One could almost say that Sri Lanka’s economy is sustained by the efforts of women, but they were always at the bottom end of the curb in terms of income and in terms of management of their resources and how they were looked upon.”

“I saw how the developed nations were moving in the area of sustainability; there was a new trend towards ethical sourcing, and ethical consumerism... I saw that we had something unique. However, I just needed to bring together the best practices in our different factories and turn it into a huge competitive advantage.”

So Fernando brought on board partner companies like HSBC and Unilever, and created a certificate programme for the apparel machine workers, covering subjects like personal finance management and health and hygiene.

“We held an annual awards programme,” he explains. “Each year, from every one of our factories, peers would recommend a lady who they thought had gone beyond... they would be given extremely attractive cash rewards, and we would make them heroes in the company.”

“What it did for us was create a completely different attitude amongst the workforce. In an industry where the attrition rate was in the 20 to 35 percent region we had brought it down to 4 percent... and more than that we had a more engaged workforce, and they all aspired to become Go-Beyond winners.”

“This programme then became the national strategy and today situates itself in the world as the “Garments Without Guilt” country. I am humbled to think that a little idea that started in 2003, became a national strategy.”

Ravi Fernando spoke to INSEAD Knowledge in November during the 24th Sustainability Executive Roundtable on campus in Fontainebleau. He is the Chief Executive Officer of the Sri Lanka Institute of Nanotechnology and is the United Nations Global Compact Focal Point for Sri Lanka.

Find article at

<https://knowledge.insead.edu/responsibility/billionaires-and-mud-huts>