

The Role of Business in Achieving Sustainable Development Goals amid the COVID-19 Pandemic: The Legal Perspectives

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Abstract - Covid 19 pandemic has become a challenge to achieve sustainable development goals. The effects of the COVID-19 pandemic, particularly on the social and financial circles in low- and middle-income developing countries, including Sri Lanka, have been especially adverse, which cause interruption of supply chains, reduced foreign remittances and FDI, among others. The Sustainable Development Goals are the diagram to accomplish a superior and more sustainable future for all. They address the worldwide difficulties, including those identified with poverty, inequality, environmental change, natural degradation, peace and justice. Achieving SDGs in this pandemic has become a very difficult and challenging task. This study identifies whether the prevailing laws are sufficient and practicable in regulating businesses to achieve the SDGs in the Covid-19 pandemic. The objectives of this research are to identify the impact of Covid 19 on sustainable development goals, to discuss the role of business in the society in achieving such goals, to analyse whether Sri Lankan laws are sufficient in steering businesses in playing their role and to propose the necessary amendments. The methodology of this research is black letter (doctrinal) methodology. This research employs a qualitative analysis of primary data including the 1978 Constitution of Sri Lanka, Sustainable Development Act, National Development Act No.47 of 1980, Industrial Dispute Act, Consumer Affairs Authority Act No. 9 of 2003, Sales of Goods Ordinance, Fair Trading Commission Act No.01 of 1987 and secondary data including journal articles and web articles.

Keywords— COVID- 19, sustainable development goals, Sri Lanka

I. INTRODUCTION

During the post Industrial Revolution era, the world began to realize the importance of other aspects of development such as environmental and social development, mainly due to the heavy environmental

pollution which took place during the Industrial revolution. The concept of Sustainable Development was developed as a result of this social necessity. Sustainable Development refers to fulfilment of the needs of the present generation without compromising the rights of the future generations to fulfil their own needs. In other words, it refers to a well-balanced development which consists of economic, social and environmental aspects. This has changed the ways, how the world looked at development over the years, taking the concept of development to a whole new level. Accordingly, the United Nations Department of Economic and Social Affairs adopted 17 goals as Sustainable Development Goals (SDG) at the UN Sustainable Development Summit which was held in September 2015. Eliminating poverty, eliminating hunger, providing quality education to all the children, ensuring gender equality are only a few amongst them. As per the 2030 Agenda by the UN, every member country is expected to formulate their national policies in accordance with these 17 goals in order to achieve them to a substantive extent within this decade.

When looking at things from a business point of view, companies too have a huge responsibility in making sure these goals are achieved. Specially, when it comes to goals such as responsible production and consumption, eliminating poverty, the businesses have a major role to play.

A. The Concept of Triple Bottom Line

Triple Bottom Line concept is a tool that most businesses use when it comes to sustainability. At the very outset it can be seen that, this concept is developed around 3 P's which stand for People, Profit and Planet. In other words, the businesses are expected to consider not only its economic impact but also the environmental and social impacts when carrying out their business operations.

The social impact of businesses are twofold, namely the impact they have on their internal employees and the impact they have on the society at large. Accordingly, the businesses are required to ensure the well-being of their employees while contributing towards the development of the environment and the general public, together while achieving financial targets.

II. METHODOLOGY

This research methodology would be a black letter approach. The black letter methodology is used to provide a descriptive analysis on the area. The research would employ a qualitative analysis of primary data including, The 1978 constitution of Sri Lanka, sustainable development act, national development act no 47 of 1980, Industrial dispute act, consumer affairs authority act no 9 of 2003, sales of goods ordinance, fair trading commission act no.01 of 1987 and secondary data including journal articles and web articles.

III. DISCUSSION

A. Challenges Faced during the Covid-19 Pandemic

The world has focused on carrying out the 2030 Agenda for Sustainable Development with 17 Sustainable Development Goals (SDGs) embraced by United Nations (UN) Member States in September 2015. The strange circumstance made by COVID-19, in mid-2020, is affecting this responsibility and subverting the overall methodology toward appropriateness by hindering the cycle toward accomplishing the 17 SDGs and changing the direction of improvement.

With the covid 19 pandemic many financial sectors have collapsed and some have to face many challenges in their businesses. If discuss about the examples for these,

As expressed by a report of the Central Bank, the foreign debt of Sri Lanka is more than USD 55 billion. Furthermore, alarming warnings have been made by Fitch and Moody which are worldwide evaluations offices which expressed that Sri Lanka has a “very weak debt affordability. On 24th April 2020, Fitch Ratings brought down Sri Lanka's reliability from one B to B-, by expecting that the effect of the pandemic to the economy would additionally flood with the expanding public and outside obligations.(central Bank of Sri Lanka, 2019)

The stock market was closed on March 20th 2020 following the lockdown due to strong selling pressure

by recording the biggest intraday fall of the stock market and all Share Price Index fell more than 6% to 4571.63 due to panic selling. However, after 12th May CSE showed an improvement implying that the attitudes of investors are gradually becoming positive.

The Sri Lanka's tourism sector was hit hard by the Covid-19 pandemic as well. Certain investors are hesitant to proceed with these concessions and are prepared to foreclose their mortgages and close down business due to the current conditions. The greatest challenge that investors are facing under the current pandemic is that lenders are dismissing the foreclosing of mortgages since banks are likewise at serious risk.

Many MSMEs in Sri Lanka significantly failed in business as they had not been able to broaden their production measures following the Covid-19. (Gunawardana,2020)

Because of the reasons mentioned above, poverty and the inequality can occur in the country.

Worldwide phenomenon that address a center focal point of the SDGs have been essentially changed, causing us to notice new real factors and lifestyles we didn't envision previously. Mobility and migration are vigorously influenced through lockdown measures with huge human and monetary cost.

The pandemic triggers a financial emergency of huge extents with increased effect on non-industrial nations, placing an enormous number of individuals in poverty, for the first time in three decades, poverty is increasing. The monetary results are huge and boundless, influencing all spaces of the economy, including capital streams, business activities, work and occupations. (UNESCO,2020)

Conquering all difficulties presented by the COVID-19 pandemic, assembling a superior world and accomplishing SDG targets can't be accomplished by any nation alone and needs common participation and organization. For Sri Lanka, supporting the worst affected sector influenced areas that contributed the lion offer to the economy and occupations like SMEs, send out enterprises like the apparel, and the tourism industry to bounce back is mandatory yet needs the help of different nations. In such manner, common society, the scholarly world, the private sector, international financial intelligence and regional organizations can make an important commitment towards the accomplishment of the 2030

Development Agenda by activating activity, giving ability and monetary assets.

On one hand, both self-employed people and the people who depend on daily wages are severely affected as they have lost their sources of income. On the other hand, it results in a reduction of buying power of the consumers, causing reduction in demand for goods and services. As a result, sales and profits have gone down by considerable margins of majority of businesses, starting from large companies to small and medium enterprises. Furthermore, several businesses have imposed salary cuts and layoffs on their employees which has caused many people to lose their jobs.

Despite the fact that majority of industries are affected by this pandemic, there is a huge responsibility on the shoulders of the business sector, in overcoming this critical situation.

B. Existing Legal Framework on Sustainability in Sri Lanka

In the context of sustainable development, there is no single legislation that govern all the areas of sustainability. Sri Lanka as a country have enacted different legislations at times focussing on different aspects of triple bottom line concept. For instance, some statutes govern the area of environment while others govern the area of consumer affairs and labour affairs. Nevertheless, all those play vital roles in achieving a balanced development covering each and every corner. The Sustainable Development Act (Sri Lanka Sustainable Development Act, 2017) is the main piece of legislation which is enacted with the sole purpose of designing, developing and implementing National Policies and Strategies on Sustainable Development and facilitating respective stakeholders who are responsible and following up and monitoring the progress. It has also established a Sustainable Development Council, in order to carry out the responsibilities assigned from the act in accordance with the seventeen sustainable development goals. (Sri Lanka Sustainable Development Act, 2017)

When it comes to the laws that govern the social impact of businesses there are number of laws that protects both employees as well as the general public. Industrial Dispute Act (IDA) can be considered as one of the major legislations in the field of labour law which provides means of solving disputes between employers and employees, in a fair and just manner. Institutions like Labour Tribunal and Industrial Court have been establish by the act, to hear and determine

matters regarding disputes such as unfair dismissals, in a just way. (Industrial Dispute Act,1950) Moreover, Alternative Dispute Resolving mechanisms such as Conciliation, Arbitration are also introduced by this act, in order to ensure that justice is served properly to all stakeholders. Apart from that, there are number of legislations in the field of labour law, such as Employment of Women, Young Persons, and Children Act, Shop and Office Employees Act, Factories Ordinance to govern different aspects such as the minimum age of employment, providing a safe work environment, leave entitlement for leave and special privileges and benefits provided for vulnerable social groups like women and disabled persons.

On the other hand, Consumer Affairs Authority has been established by the Consumer Affairs Authority Act (consumer affairs Authority,2003) in order to protect the Consumer Rights against businesses. It basically covers aspects such as price management, market investigation, consumer awareness etc and ensures that consumers are protected from unfair trade practices of companies. Apart from it, Sale of Goods Ordinance also consist provisions regarding implied conditions and warranties which guaranties the quality of the goods sold. For instance, section 15 of SOGO states that the goods sold should be reasonably fit for its purpose while section 14 states that the bulk of the goods sold should correspond with its sample displayed. In addition, Sri Lanka Standard Institution (SLSI) issues various standards on various goods, ensuring their quality. (Sale of Goods Ordinance,1896)

In the context of market competition, Fair Trade Commission Act acts as a safeguard against anti-competitive business practices and the creation of monopolies (Fair Trade Commission Act,1987) . It protects the start-up businesses and small and medium enterprises by preventing the market leaders from manipulating the market to their advantage by controlling the price at their will.

Considering the above laws and statutes, one might argue that Sri Lanka as a country has sufficient laws to regulate and guide businesses to achieve sustainable development goals in accordance with the triple bottom line concept covering all three pillars, namely profit, planet and people. However, it should be stated that, there are few unaddressed areas that needs further development in the context of sustainable development, specially during critical situations.

IV. OBSERVATION-

A. Gaps to the Existing Legal Framework in Sri Lanka

When scrutinizing the gaps in the existing legal framework in Sri Lanka it was evident that, as a country we lack a proper legal regime to address uncertainty in governance, green economy and living in the digital world.

If the SDG had been observed in an early stage, country's response and control of global emergencies would be more effective. According to the SDG goal 3(D) it is the duty of the state to focus on, early warning, reduction of risks and managing the national and global risks during emergency situations. Many states were able to identify the health risks and the necessary safety precautions for the control of covid-19, with the help of expert companies in the relevant fields. Sri Lanka as a country lack a comprehensive legal regime to get the services of the private sector as well as the public sector companies, mainly in terms of technology and facilities in combating this pandemic.

Even though Sri Lanka has relatively a strong legal framework in the context of sustainable development, it is not without its flaws. In our opinion, sustainable development goal one which is eliminating poverty, is not addressed adequately under the current legal framework. There are no proper laws formulated to transfer the economic benefits that are generated through businesses to the society as the contribution of businesses in rural and regional development is very little. It is true that some companies like Ceylon Cold Stores PLC buy raw material for their production such as ginger, vanilla and jaggery from local farmers, as per their organizational values but the law does not incorporate any similar provision in that regard.

Furthermore, the lack of a comprehensive legal framework that regulates Cooperate Social Responsibility (CSR) Projects is a major lacuna in the existing legal system. At present, the concept of CSR has become nothing but a marketing tool which companies use to increase their sales. Due to the fact that the current legal system does not provide any provisions to regulate CSR projects or to measure their social impact and effectiveness, the companies tend to carry out projects in the name of CSR just for the sake of promoting their products or brand names. This again has an adverse effect on sustainability as they do not actually serve the purpose of social development or environmental development.

Another area that needs improvements in our opinion is the laws regulating the responsibilities of the consumers. It is often seen that the law makers give

high importance to consumer rights yet the consumer responsibilities often go unrecognized when formulating laws. According to the sustainable development goal number 12 which is responsible consumption and production, both producers and consumers are expected to be responsible. Specially during a social crisis like today, the responsible behaviour of the consumers is of utmost importance to overcome this crisis. For instance, the essential items such as food should be distributed among all the consumers equally by mitigating excess consumption and wastage.

Moreover, there is a huge room for improvement in the implementation part as there is no proper implementation mechanism installed, specially in the government sector to carry out the provisions of the relevant statutes. Accordingly, there are substantive time delays in the implementation process and its effectiveness is often jeopardized due to this reason.

V. RECOMMENDATIONS AND CONCLUSION.

Considering the above gaps, the authors wish to make the following recommendations to the existing legal framework.

- The legal framework should be modified as to incorporate concepts like sustainable sourcing to our legal system, requiring the business to join hands with local suppliers and farmers in obtaining raw material for their production processes. In our opinion, it will not only contribute to the development of the house-hold economies of the local suppliers but also would contribute to the growth of the national economy at large.

- The public-private partnership model in Sri Lanka, The Vaccine Alliance's innovative public-private partnership model has transformed global progress by accelerating equitable and sustainable access to vaccines both at scale and pace. Since 2000, Gavi support has helped countries immunise more than 760 million children. This has helped to reduce deaths from vaccine-preventable diseases by more than 60 per cent and played a key role in halving the under- five mortality rate in those countries. Therefore, a great necessity has arisen to develop a comprehensive legal framework governing as stated in the SDG 17.

- The necessary amendments should be introduced to regulate the businesses to contribute to the regional and rural development by creating job opportunities. It would also provide a solution to the

issue of unemployment while utilising the work force of the country for the national development.

- Furthermore, the due importance and recognition should be given to consumer responsibilities by formulating necessary laws to regulate the behaviour of the consumers. For instance, maximum limits of quantities can be imposed for the purchase of essential items in order to minimise the wastage of such items and thereby ensure the uninterrupted supply the same. The laws should be formulated in such a manner that the economic benefits would flow to each and every layer of the society.

- More importantly, an effective and efficient implementation mechanism should be introduced to ensure the smooth operation of the laws and regulations in this regard. The researchers propose that the law enforcement officers such as police officers and administrative officers should be given the necessary trainings in order to uplift their performances and the whole implementation process should be made free of bribery, corruption and political influences.

However, the above recommendations in our view, would certainly be instrumental in achieving sustainable development goals such as eliminating poverty, eliminating hunger, reducing inequalities and ensuring responsible production and consumption. As stated in the beginning, the businesses play a huge role in the modern society through which, an enormous contribution could be made in overcoming this global pandemic as a country and achieving sustainable development goals.

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