Business and Sustainability: An Introduction

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1 Introduction

Business increasingly participates in co-regulatory and self-regulatory arrangements along national governments, international organizations, civil society and private-public institutions. These co-regulatory and self-regulatory arrangements span multiple political arenas and jurisdictions from the community level to international relations. Fair trade and energy consumption labels, accounting and transparency standards as well as forest certification and emissions trading are well known examples of the increasing role of business in the dynamic regulatory space (Eberlein et al. 2013).

Efforts to set up regulations are widespread in policy-domains that form part of the larger sustainability discourse. Demands to put sustainability and sustainable development onto the political agenda and the occurrence of business co-regulatory and self-regulatory arrangements have evolved in fairly parallel fashion since the 1990s. Business is frequently portrayed as the main (and often the only) source of environmental pollution, of decomposing social relationships and values through the exploitation of workers, of implementing profit and utility-maximization behaviour, of globalizing and homogenizing national cultural traditions, and of creatively destructing industries and national economies. However, most attempts to alleviate the business impact on the sustainable development of our planet involve at least some sort of business participation.

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Business participation in transnational business governance (Eberlein et al. 2013; Muchlinski 2011; Ottaway 2001; Pattberg 2005) and in climate change and environmental policy (Gullberg 2008; Jones and Levy 2007; Kolk and Pinkse 2005; Ronit 2012) has attracted many scholars from numerous scientific disciplines. However, most studies are confined to the environmental and climate change discourse but neglect other dimensions of sustainability. Conceptually, the notion of sustainability includes economic, social, environmental, and cultural dimensions that comprise of different challenges for business processes and activities. As can be seen from the previous examples, demands for sustainability policies have set new challenges for business both on the individual firm level and on the level of organized business interests.

This edited book investigates the intersection between sustainability issues and business participation, while presenting business co-regulatory and self-regulatory arrangements across all dimensions of sustainability. The chapters explore how business is concerned with sustainability in specific policy domains, how collective action problems can be overcome and how business, governments and society interact in setting up sustainability measures in their particular business sector and policy domain. This book provides an initial account of the differences between economic, social, environmental, and cultural dimensions of sustainability and the potential pitfalls of business participation.

In this introduction, we delineate and discern the notions of sustainability and sustainable development (a more elaborate discussion can be found in Kellow in this volume), followed by company and industry-centred approaches to business co- and self-regulation. The final section of the introduction outlines the main research questions and puts the book chapters into perspective.

2   From Sustainable Development to Sustainability

This book centers around the concept of sustainability which emanated from the concept of sustainable development. The notion and concept of sustainable development was first applied in relation to the environment and forestry sectors, where it denotes the principle of 'only logging as many trees as will grow back' (Grober 2002). In 1980, sustainability was put onto the agenda by the International Union for Conservation of Nature (IUCN) that focused on the probability of humankind's survival, given the depletion of natural resources, destruction of the environment and overpopulation. In 1982, the 38th General Assembly of the United Nations (UN) established the World Commission for Environment and Development (WCED), chaired by Gro Harlem Brundtland, in order to develop an agenda for a more durable and efficient handling of natural and other resources (Müller et al. 2007). The notion of "sustainable development" quickly diffused into the main environmental discourses and received widespread attention after the publication of the Brundtland Report in 1987. The report, named "Our Common Future" (World Commission on Environment and Development 1987), states that

sustainable development is a "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development 1987: 24). Following this objective, the international community has had to focus on many agendas instead of relying solely on the environmental agenda.

The term's breakthrough as a catch word in academia as well as in the media was eventually made at *The World Summit on Sustainable Development* (WSSD), which was held in Johannesburg, South Africa, in 2002. At the WSSD, the application of the sustainability concept was broadened and confined not only to environmental issues but also to social and economic ones. Furthermore, responsibilities for sustainable development were distributed among a vast variety of actors in the political arena. Business and industry were explicitly mentioned here. The Report of the World Summit on Sustainable Development (United Nations 2002) states that:

> [...] "we assume a collective responsibility to advance and strengthen the interdependent and mutually reinforcing pillars of sustainable development – economic development, social development and environmental protection – at the local, national, regional and global levels" (United Nations 2002: 1).
> [...] "The need to build and strengthen partnerships not only among Governments but also with women, youth, indigenous peoples, nongovernmental organizations, local authorities, workers and trade unions, business and industry, the scientific and technological community and farmers" (United Nations 2002: 86–87).

The establishment of the World Business Council for Sustainable Development (WBCSD) in 1990 provided a focal point for business participation by addressing the expectation of business as a solution source to global problems, but also by tackling the concern that these solutions to sustainable development needed to be profitable. WBCSD assists business to define its new role in order to cope with societal expectations (see also Kellow in this volume). According to the WBCSD, the quest for sustainable development faces a plethora of challenges, including the access and affordability of education, healthcare, mobility, food, water, energy, shelter, and consumer goods as well as the cautious utilization of natural resources without further damage to the climate and ecosystem (World Business Council for Sustainable Development 2010).

Studies on sustainable development and business predominantly focus on changes in business processes and strategic management. In his review on theories of corporate social responsibility, Lee (2008) summarizes that "most of CSR research up to now has examined CSR from the perspective of corporations" (p. 66) and suggests that "the 'social' perspective and its effect on corporations" (p. 66) should be featured more prominently. In this volume, we take up Lee's suggestions and also focus on meso- and macro-level arrangements, without neglecting the motivations and incentives of business to become committed to sustainable development. Furthermore, this edited book discusses the many dimensions pertaining to sustainability – environmental, economic, social and cultural development (Giddings et al. 2002) – and investigates the link between business

participation and its impact on efficiency, durability and consistency of proposed policies and instruments (Kellow and Zito 2002).

3 Types of Sustainability

Since the Brundtland Report "Our Common Future", sustainability is differentiated in terms of environmental, economic, social, and cultural sustainability. Each category of sustainability has been conceptualized as a kind of capital that is valuable in fighting underdevelopment. The intention of the Brundtland report was to align and reconcile "capital" investments and (sustainable) development issues. Sustainable development was the objective and preservation and stockpiling of various forms of capital were the means to achieve this. This legacy is still dominant today in that it separates development perspectives from perspectives that focus on the preservation of the current stock and diversity of capitals (Vallance et al. 2011).

3.1 Environmental Sustainability

The concept of sustainability has long been associated with environmental issues and problems such as the depletion of natural resources (Moldan et al.). Most authors argue that environmental sustainability aims at sustaining the source capacities of the global ecosystem and the sink capacities to absorb outputs and wastes (Goodland 1995; Sands and Podmore 2000). The preservation of biodiversity has become the main target for sustainability policies, which primarily deals with reducing and managing waste emissions and harvest rates of renewable sources. Goodland dubs this strategy as the "maintenance of natural capital" (Goodland 1995). Sands and Podmore point out that environmental sustainability is linked to productivity and the production of economic agents as the main extractors and contaminators (Sands and Podmore 2000).

The OECD Environmental Strategy for the First Decade of the 21st Century defines four specific criteria of environmental sustainability that summarize the main points of the debate (Organisation for Economic Co-Operation and Development 2001):

- Regeneration: renewable resources have to be used efficiently and within their rates of natural regeneration.
- Substitutability: non-renewable resources have to be used efficiently and within levels which can be substituted by renewable resources or other forms of capital.
- Assimilation: the release of harmful or polluting substances into the environment has to be kept at the assimilative capacity of the environment.

- Avoiding Irreversibility: Irreversible effects of human activities on ecosystems have to be avoided.

3.2   *Economic Sustainability*

Economic sustainability has developed into two different strands, sustainable development (Anand and Sen 2000) and sustainable business strategies (Doane and Macgillivray 2001; Dyllick and Hockerts 2002).

The first strand considers the wealth of nations as its starting point (World Bank 2006) and views wealth, human development, and sustainability as closely interlinked (Anand and Sen 2000). Patterns of production and consumption, hence the wealth of nations or human development, are deemed sustainable if utility does not decline at any point along the development path (Pezzey 1989). Economic sustainability focuses on various kinds of "capital" that account for human development and well-being (Moldan et al. 2012). Types of capital include labor, natural resources, financial assets but also industry structure (Copus and Crabtree 1996). As Moldan et al. puts it: "Well-being is understood as any act of consumption which includes the enjoyment of any goods or services. Goods and services can include things freely provided by nature, such as a beautiful sunset. Sustainable development means increasing "consumption", following its broadest economic interpretation, over a very long time" (Moldan et al. 2012: 5). Economic sustainability always means self-sustaining economic growth and development (Copus and Crabtree 1996).

The second strand of economic sustainability is frequently dubbed "the business of staying in business" (Doane and Macgillivray 2001) and concerns viable business strategies. These strategies are ultimately linked to the concepts of efficiency and effectiveness. Found and Rich argue that the economic sustainability rests on profit extraction and successful investments that guarantee the survival of the business firm (Found and Rich 2006). This concept of sustainable business strategy can be defined as "meeting the needs of a firm's direct and indirect stakeholders (such as shareholders, employees, clients, pressure groups, communities etc.) without compromising its ability to meet the needs of future stakeholders as well" (Dyllick and Hockerts 2002: 131). According to Found and Rich, sustainable business strategies are dependent on the management of three types of economic capital (Found and Rich 2006): financial capital, tangible capital (such as machinery), and intangible capital (such as reputation and knowledge). In particular, intangible capital point to the importance of social and cultural capital in sustaining "economic" capital (hence capital and labor).

3.3 Social Sustainability

Social sustainability is concerned with the diversity and maintenance of social values, social identities, social relationships, social equity and social institutions (Dempsey et al. 2011; Moldan et al. 2012). Again, two different strands emerge out of the general discussion on social sustainability (McKenzie 2004; Vallance et al. 2011): social development and social diversity.

According to the development strand, forms of social capital as a means to address the underdevelopment of countries and regions have become the main point of attention. Others view social sustainability as "maintaining or preserving preferred ways of living or protecting particular socio-cultural traditions" (Vallance et al. 2011: 342). Valance and colleagues point out that the maintenance aspect of social sustainability refers to the way in which social preferences and characteristics are sustained over time.

There exist a vast variety of indicators for social sustainability ranging from basic needs to quality of life (including income, income distribution, unemployment, education, etc.), social justice and social coherence (Axelsson et al. 2013; Littig and Griessler 2005; Pullman et al. 2009). However, the link between the different indicators and other dimensions of sustainability has not yet been established.

3.4 Cultural Sustainability

The cultural category of sustainability has long been added to the social dimension but is now increasingly treated as a distinct category. According to UNESCO's Mexico City Declaration on Cultural Policies, culture can be defined as "the whole complex of distinctive spiritual, material, intellectual and emotional features that characterize a society or social group. It includes not only the arts and letters, but also modes of life, the fundamental rights of the human being, value systems, traditions and beliefs" (UNESCO 1982: 1). Cultural sustainability thus means to maintain, enrich and foster cultural identity and diversity. This cultural identity and diversity is frequently termed cultural capital (Duxbury and Gillette 2007; Throsby 2005). According to Axelsson et al., tangible cultural capital includes architectural, sculptural, painted, and archeological monuments and human made landscapes (Axelsson et al. 2013). Intangible cultural capital includes practices, traditions, rituals, expressions and knowledge as well as cultural spaces and heritage.

Throsby notes that "an item of cultural capital can be defined as an asset that embodies or gives rise to cultural value in addition to whatever economic value it might possess" (Throsby 1999). Thus, in order to maintain cultural capital's current value, its ingredients have to be maintained and broadened (Throsby 1999).

4   Business in Sustainability Policy Making

The involvement of business in sustainable development issues intersects with traditional approaches in business interest, corporate governance, and self-regulation (Grote et al. 2008; Lang et al. 2008). In comparative studies on business participation, self-governing arrangements are prevailingly analyzed from an industry and a company perspective.

At the company level, the most prominent approach to providing public goods are related to the *corporate social responsibility (*CSR) approach, which has its starting point in empirically observed or normatively prescribed "actions taken by the firm intended to further social goods beyond the direct interests of the firm and that which is required by law" (Mcwilliams and Siegel 2001). Carroll distinguishes between four kinds of social responsibility that "constitute total CSR: economic, legal, ethical and philanthropic. Furthermore, these four categories or components of CSR might be depicted as a pyramid" (Carroll 1991: 40). Carroll claims that these functions can be depicted as a hierarchy. The economic function build the basic block of CSR since without economic performance, business cannot pursue its other functions. Legal obligations for the next stage of the hierarchy follow ethical responsibilities (Carroll 1991). "At its most fundamental level, this is the obligation to do what is right, just, and fair, and to avoid or minimize harm to stakeholders" (Carroll 1991: 42). The expectation that business should take up philanthropic responsibilities forms the top of the hierarchy. It means that business should contribute to improve the overall quality of life (Carroll 1999).

Garriga and Mele take up the four categories established by Carroll and establish four groups of corporate social responsibility theories – economic, political, social integration, and ethical – that provide different logics of business actions (Garriga and Melé 2004; Melé 2008).

The economic theory of CSR portrays the corporation as an instrument for wealth creation and its activities, either business or social, as means to achieve its economic goals. Business can contribute to CSR if shareholder-value-maximization is long-term rather than short-term, if strategies for comparative advantage include social investments, or if marketing highlights social activities.

The second theory focuses on the political power of corporations and their responsibility in the political arena. In the political context, CSR means supporting and defending democratic institutions as well as to engage in community activities as a corporate citizen. "This leads the corporation to accept social duties and rights or participate in certain social cooperation" (Garriga and Melé 2004: 52).

Social integration theorists argue that business should socially integrate and satisfy social demands. The rationale behind social integration activities lies in the dependence of business on the functioning of society. "Social demands are generally considered to be the way in which society interacts with business and gives it a certain legitimacy and prestige. As a consequence, corporate management should take into account social demands, and integrate them in such a way that the business operates in accordance with social values" (Garriga and Melé 2004: 57). In

this context, business is supposed to balance stakeholder interest and to focus and react on issues that are important for the public.

Ethical theories describe the contribution of business to society as a whole. It centres on ethical requirements that constitute business-society relations which includes universal norms such as human and labour rights as well as fostering sustainable development.

More recently, the concept of *corporate norm-entrepreneurship* has been established as a sub-branch of corporate social responsibility approaches, which explicitly deals with the capacity and conditions under which corporate self-commitment takes place (Flohr et al. 2010). Norm-entrepreneurs are said to advocate new norms against the backdrop of existing ones, thereby increasing public attention on social responsibility issues (Flohr et al. 2010). Norm entrepreneurs may participate through lobbying or self-regulation mechanisms in the establishment and institutionalization of new norms. Finnemore and Sikkink argue that they draw the attention to specific issues or even create them. They achieve this by renaming, interpreting and dramatizing these issues (Finnemore and Sikkink 1998).

The literature on corporate norm entrepreneurs has developed two explanatory models on the motivations of corporations to participate in norm-setting activities and if corporations act unilaterally or collectively (Flohr et al. 2010; Wolf 2008). Flohr et al. argue that there are two necessary conditions for corporations to become norm entrepreneurs. First, these corporations face heterogeneous regulatory environments and, as a result, try to minimize the costs of adaptation by leveling the playing field. Second, these corporations receive much attention by transnational civil society and are thus trying to cope with numerous normative expectations. These factors provide the bottom line explanation for corporate norm entrepreneurship. However, Conzelman and Wolf point out that business activities must be aligned with corporate norm entrepreneurship which cannot be equated with altruistic behavior (Conzelmann and Wolf 2007). The prime motivation for norm-setting activities is still the maxim "doing good while doing well" (Conzelmann and Wolf 2007).

While the economic rationale is still omnipresent at the company level, the industry level provides additional factors that help explain why collective self-regulatory arrangements emerge. The industry perspective views self-regulation as a means to increase market growth or to set up new barriers for the entry of newcomers. Most accounts provide details about industry codes of conduct and analyze the strategic choice of companies to join such agreements but fail to consider more systemic factors, in particular political factors, that have a bearing on industry self-regulation (Gupta and Lad 1983; Hemphill 1992).

Andrews provides a typology of business self-regulation that stresses three defining principles (Andrews 1998): self-interest as the guiding principle, the voluntariness, and the involvement of third parties. Each principle provides different explanations for the motivations of business to engage in or to abstain from sustainability policy making. Taken together, the different strands of literature reveal several basic motivations and strategies of business regarding sustainability issues:

- The most prominent business strategy regarding issues of sustainability has long been *non-participation* and *pressure politics* to avoid government actions.
- In case business participates in sustainability policy making and governance, one speaks of company or industry *self-regulation*. Gupta and Lad define industry self-regulation as "a regulatory process whereby an industry-level, as opposed to a governmental- or firm-level, organization (such as a trade association or a professional society) sets and enforces rules and standards relating to the conduct of firms in the industry" (Gupta and Lad 1983). One can distinguish between economic and social self-regulation on the one hand and the extent of government involvement in the regulatory process on the other hand. Economic self-regulation is concerned with the governance of markets and other economic activities while social self-regulation consists of all mechanisms that are proposed by firms or trade associations to "ensure that unacceptable consequences to the environment, the workforce, or consumers and clients, are avoided" (Gunningham and Rees 1997: 365). In most instances, business seeks to avoid government actions and thus engages in lobbying activities. However, in the case that government actions are certain to occur, business might set up voluntary instruments to avoid direct governmental interference (*Avoidance*). This logic of voluntary business self-regulation is frequently dubbed "in the shadow of hierarchy".
- Often, third parties intervene in setting up private self-regulatory schemes by either coercing private actors to take part (*Imposition*), delegating authority to private actors (*Delegation*) or by providing incentives for participation or collective action.

4.1 Pressure Politics

One of the most important strands in the literature on state-business relations are theories related to **influence** aspects of business on politics (Lang et al. 2008). Approaches to corporate direct lobbying (Coen 1998), neo-pluralism (Lowery and Gray 2004; Mcfarland 2004) and rent-seeking (Majumdar and Sen 2007; Svensson 2000) conceptualize aspects of pressure politics and power which are exerted by organized business interests on public authorities. Studies on corporate direct lobbying contend that producer interests are easier to organize collectively than consumer or other societal interests (Kellow 2002). As a result, business can exert a strong influence on government which will formulate and implement regulations that are mostly acceptable to business (Baumgartner 2007; Coen 2007; Eising 2004). Numerous studies have shown the powerful and often destructive influence of business actors on environmental and societal issues (Feil et al. 2008). However, the perspective has recently shifted from business as problem causers to business as problem solvers that wield their influence in the public interest. Flohr et al. state that "the international community appears to view corporations as powerful partners in global governance" (Flohr et al. 2010: 7).

4.2 Avoidance

Business can either decide to lobby against pending regulation or set up its own regulatory instruments as a defensive act to avoid government activity. Some scholars invoke the shadow of hierarchy as the main driving force behind industry participation (Börzel and Risse 2005; Héritier and Eckert 2008). Industry self-regulation as a defensive act is a common phenomenon at the national and international level. Ronit and Schneider provide an example of how the pharmaceutical industry adopted a medical drug promotion code in order to avoid stricter regulations by the World Health Organization (Ronit and Schneider 1999). The shadow of hierarchy provides incentives to negotiate for private actors but at the same time ensures implementation and acceptance through public intervention (Smismans 2008).

4.3 Imposition

Another approach to industry self-regulation is the imposition or coercion of business actors to establish self-regulatory mechanisms. C*ustomer and supplier requirements* are examples of market-driven coercive self-regulatory measures imposed by suppliers on their customers or vice versa (Andrews 1998: 180). One version of this requirement practice highlights product and production requirements set up by suppliers while a second version is directed at increasing the consumer demand for ecologically beneficial products. Government interventions that demand industry self-regulation is discussed as *mandated self-regulation* which is an extension of the voluntary self-regulation mechanism insofar as the voluntary agreements and standards are backed and sanctioned by the government "which monitors the program, and if necessary, will take steps to ensure its effectiveness" (Gunningham and Rees 1997: 365). *Mandated partial self-regulation* involves either rule formulation or rule enforcement but not both. Rees further distinguishes between two basic approaches within the mandated self-regulation type, that is, public enforcement of private standards or recommendations, and enforcement of public rules by private actors (Rees 1988: 10–11).

4.4 Delegation

Delegation of authority in order to set up private regulation schemes is conceptualized by the Private Interest Governments (PIGs) approach and by approaches to self-regulation. PIGs as a source of economic self-regulation are the most highly developed form of a corporatist political configuration, in which private actors are not only incorporated into public policy making but in which the state additionally

leaves the political authority exclusively to them (Streeck and Schmitter 1985). Their decisions are authoritative and are binding for members as well as non-members (Wagemann 2005). Streeck and Schmitter label PIGs as "regulated self-regulation" (Streeck and Schmitter 1985: 16). The functioning of PIGs depends on "a limited and fixed set of interest organizations that mutually recognize each other's status and entitlements and are capable of reaching and implementing relatively stable compromises (pacts) in the pursuit of their interests" (Streeck and Schmitter 1985: 10) which rest on a monopoly of representation in their sector or profession (Streeck and Schmitter 1985: 11). PIGs are frequently made up of several organizations which are interrelated with each other (Wagemann 2005).

Third-party certification and management systems represent another approach to business self-regulation. This approach relies on third-party certification to verify product and management performance. International standard-setting organizations such as ISO or CEN are examples of third-party certification systems. *Sectoral guidelines* are another approach to third-party intervention in self-regulation. In this arrangement, business associations have an important role in the development and implementation of product and production requirements or on the identification of "best practices" that provide a reference point for member firms (Andrews 1998).

5   Business and Dimensions of Sustainability: New Challenges

The various forms of sustainability have given rise to different challenges on business activity. In general, sustainability demands the preservation of current levels of "capital" as well as the diversity of different forms of "capital":

- Environmental sustainability demands the responsible extraction of natural resources, the preservation of habitats and species as well as the conservation of biodiversity.
- Economic sustainability requires a long-term perspective regarding the handling of financial assets and human resources. It also focuses on the carrying capacity and diversity of industry structure and consumption patterns.
- Social sustainability demands increases (or at least continuing levels) in the quality of life, social justice, and social coherence.
- Cultural sustainability requires the preservation of cultural artefacts (e.g. architecture, paintings) and the recognition and support of traditions and rituals.

The demands for sustainability have set new challenges for business strategies both on the individual firm level and on the level of organized business interests. First of all, the most important aspect is that companies and industries have to widen their perspectives on business activities and have to include numerous parameters in their strategies that are difficult to capitalize on the corporate balance

sheet. Second, long-term business prospects that include social and cultural parameters are not necessarily in line with the expectations and demands of shareholders. Managers have to avoid conflicts with their shareholders in order to align company strategy to the wider social and cultural context. Third, often demands for sustainability require collective action and strategies to overcome the free-rider problem. In most instances, third parties have to administer this: governments, international organizations, NGOs or business associations. However, problems of collective action as well as resistance of shareholders should increase with the remoteness of the sustainability issue in relation to the core business activity, as is the case for the social and cultural dimensions of sustainability.

In this book, we compare business self-regulation and corporate commitments geared at more sustainable natural, social, economic, and cultural environments. There are two interlinked analytical dimensions with regard to the ability of business to set up sustainability measures and the extent to which third parties are involved in steering business towards more sustainable business strategies and participation in activities. In order to achieve a comparison of business activities in the various dimensions of sustainability, each chapter will provide answers to four sets of questions:

- What kind of sustainability is the chapter dealing with?
- Why is business concerned with sustainability in the particular policy domain?
- Is there a collective action problem? Can it be overcome by state enforcement or by self-regulatory arrangements?
- What functions or capacities does business have in creating and implementing sustainability measures and instruments?

Contributions are ordered according to the dimensions of sustainability to which they contribute the most. However, most chapters deal with several dimensions of sustainability.

We begin with a chapter on the ontological underpinnings of sustainability. In the chapter entitled "From Sustainable Development to Sustainability: The Response of Business", Aynsley Kellow takes a critical look at the notions of 'sustainable development' and 'sustainability' in order to establish their contested and problematic nature. According to Kellow, it is essential to recognize that 'sustainable development' is both a contested concept and an explicitly political one which mediates the global conflict between the desire of the North for greater environmental protection and the desire of the South for improvements in human welfare. Kellow states that sustainability is ultimately a journey rather than a destination and refers to the quest as a whole. In this respect business has not been a mere passive recipient of the normative implications of these concepts, but has used them in various ways to its own advantage.

"The Politics of Sustainability: Some Principles and Proposals" are provided by Philippe Schmitter. He argues that the Brundtland Report assumed that sustainability would be decided by sovereign national governments. Resolving its problems required global intergovernmental agreements with the United Nations offering a framework for such negotiations. Compliance did not figure as a major problem.

Schmitter argues that these assumptions were insufficient and he advocates a new strategy.

The economic dimension of sustainability is explored in the chapters by Karsten Ronit and Tony Porter. In the chapter on "Global Business Associations, Self-Regulation and Consumer Policy", Karsten Ronit states that despite consumer issues having become a major concern of some bodies, there is a lack of overarching principles as well as a lacking policy framework that is in line with the policies and agendas of consumer policy. In addition to states and intergovernmental organizations, private parties are playing an important role in setting consumer policy initiatives at the global level. Not only consumer organizations, but also business itself establishes and communicates norms and rules that fill a gap where public initiatives are lacking.

In the chapter by Tony Porter, he explores "The Political Economy of Private Management of High Impact Low Probability Risks in Finance and the Environment". He argues that an increasing number of sustainability issues take the form of high impact low probability (HILP) risks. In order to support his argument, the author examines the case of the global financial crisis of 2007/2008, as well as the sustainability of automobiles and other vehicles as modes of transportation.

The Environmental dimension of sustainability is highlighted in the subsequent chapters by Wyn Grant and Achim Lang, Thomas Malang, and Volker Schneider. In the chapter by Wyn Grant, he explores "The Environmental and Regulatory Sustainability of Biopesticides". His chapter combines the environmental dimension of sustainability with economic sustainability regarding viable business strategies in industries that are related to environmental issues. The emerging biopesticide industry is an example of an industry that produces more environmentally-friendly products than established companies in that sector. Due to the fact that conventional plant protection products are becoming less available, less popular and many older products have been withdrawn for regulatory or commercial reasons, there is a need for the use of alternative products as part of a more general Integrated Pest Management (IPM) strategy. Wyn Grant analyzes the regulatory environment of plant protection in the European Union, the role of member state governments, the role of regulatory agencies such as consultants and the representation of the industry in the biopesticide sector.

In the chapter by Achim Lang, Thomas Malang, and Volker Schneider, they analyze "Product Labeling and Standards: Business Participation in Energy-Efficiency Regimes". The authors study in particular the reduction of electricity consumption in private households. Therefore, a set of 30 advanced and emerging economies – including 80 % of the world electricity consumption – is analyzed in order to reveal the degree of business contribution to electricity saving and/or efficiency improvements. Furthermore, the question is raised as to what extent electricity saving/efficiency improvements are caused by business involvement. The authors outline various types of policy measures aiming at electricity saving and depict various ways and forms in which business is involved in policy formulation and implementation. Case studies of the United States, Germany, and China reveal the underlying logics of business participation.

The social and cultural dimension of sustainability is explored in the chapters by Harvey Feigenbaum and by Ana Carolina Gonzalez. In the chapter "Sustaining Cultural Diversity when Faced with Changing Technologies", Harvey Feigenbaum explores the paradox between the fact that on the one hand the digital revolution has increased individualized entertainment options, and on the other hand the fact of the homogenizing of cultures by the forces of the economy that tend to reduce those options. Harvey Feigenbaum postulates that markets do create the incentive to discover and adopt new technologies and that new technologies can, in turn, make markets more efficient. Hence, efficiency is only one value among others and markets are not ends in themselves. However, national governments and audiovisual industry have long favoured quotas and subsidies as remedies to counter cultural homogenization. According to Feigenbaum, these instruments are not longer viable options but in order to preserve cultural diversity, the digital revolution represents both an existential threat and a potential savior.

The final analytical chapter on "The Business Pursuit of Local Governance: Extractive Industry and Civil Society for Public Accountability in Colombia" by Ana Carolina Gonzalez Espinosa explores the elements that induce the private sector to engage in partnerships with social organizations and those that encourage NGOs to cooperate with business, as well as the results of this interface in terms of democratic consolidation. Gonzalez Espinosa looks closely at these "citizens groups," sponsored and led by extractive companies, to understand how they select members, the motivations of participant actors, the dynamics of interactions between actors, and the power and resources distributed among them. She concludes that committees prioritize professional over grassroots organizations and local communities; they aim to reduce any sort of conflict entailing a risk of neutralizing local activists; they focus on access to information over other labour, cultural or environmental issues; and finally, company leadership in committees can also be understood as the domination of citizen space.

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