

Preface

Many businesses tell us that they are doing a great deal for the environment today. The programs are varied, diverse, and potentially wide-ranging – as are the public’s responses to them. Some see real prospects for a whole new era of environmental protection, harnessing the resources and creative energy of business to advance this larger public goal beyond where traditional regulatory controls can take it. Others see cynical greenwashing, using corporate environmental programs as a diversion from more firmly based government regulation. And it is not hard to find specific instances that support either view, often ones that provide all the confirmation required for the viewer’s opinion. This book tries to look more broadly and deeply, to collect and present the empirical evidence across the large number of programs and individual company efforts. Are business environmental programs effective in protecting the environment, and in generating greener products and business operations? I look beyond starting assumptions and preconceived political values, including my own, to consider what we know from the empirical data. The empirical reality is complicated, messy, and incompletely studied, yet with some kinds of business programs we have enough information to start drawing policy conclusions.

Even if some of the programs are effective, should we care? More specifically, do business programs have anything to offer beyond what we can do with traditional regulation to protect the environment? In the United States, our traditional environmental protection regulatory system is about 40 years old; even with its many imperfections, it has achieved overall cleaner air, water and land during this long period of sustained economic growth. Traditional regulation has made real progress in controlling the gravest environmental risks we knew of at the time we started regulating, yet it is not enough. We need more than controls on risks; we need to inspire or require the innovation that creates and implements cleaner products and processes. This requires more active business engagement than simply responding to regulatory controls. Further, we have to address more recently recognized risks, such as climate change and natural resource depletion, for which our traditional regulatory commands are not well suited. Business environmentalism has the potential to respond even though its results to this point have been mixed. It can reach inside companies, influencing their cultures as well as their operations, and lead the way to continuous improvement through ongoing management efforts. It might prove to be important.

What then can we do to encourage business environmentalism to build on the best parts of its history, move away from the worst parts, and move toward achieving its potential to support sustainability? Regulatory commands likely will not work – it is not realistic to think that we can command active engagement, creative innovation, and continued improvement with rules. People don't react to rules that way, rather they comply as ordered, trudgingly or grudgingly, and then move on to other things. Yet, even though direct commands are unlikely to achieve our goals, other information-based policies may. Business behavior is greatly influenced by consumers and investors, and by civil society to a degree, and these are prominent motivators of business environmentalism. However, they can only provide the right incentives if they have good information on which to act. To be effective in changing behavior, regulating information relies on the power of other actors exerting their influence through markets and public pressure. With good information about business environmentalism, consumers, investors and civil society more generally can prompt progress toward the environmental sustainability goals we seek.

Indeed, the idea of regulating information aimed at consumer and investors is quite well established in other areas. We have a lot of consumer protection regulation and a lot of financial regulation that is aimed specifically at improving the information on which these groups will act. The goal of this regulation is to supply information with which these market actors will provide incentives for better business performance and behavior. While this regulation now reaches business environmentalism only obliquely and incompletely, it could and should do better.

No discussion of environmental policy today can ignore the signature issue of our time: global climate change. The last chapter of this book will consider business environmentalism and climate change, noting both the plethora of programs and the changing regulatory landscape on which they operate. There is a great deal of activity in both arenas, and an enormous need for effective action. Business environmentalism has the potential to be an important part of the policy response; only time can tell whether this potential will be realized.

Business environmentalism is here to stay; it is established as a commercial and social phenomenon. This study offers a clearer understanding of what we are doing, how it is working out, why it is important, and how we might support and channel it. It can be an important part of environmental policy.