



Regulation Theory and Sustainable Development

Business leaders and ecological modernization

Corinne Gendron

Routledge Research in Environmental Politics



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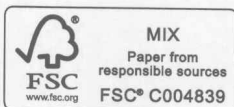
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Regulation Theory and Sustainable Development

This book argues that current economic theories do not take into account the socially constructed nature of the debate surrounding the environment and environmental policy. It examines whether proposed economic solutions to environmental policy are, in fact, viable in practice.

The book demonstrates that social conflicts cause policy compromises, which shape the economic system of a post-industrial ecological society. The author offers an innovative socio-economic theory of environmental politics, which illuminates the transformation dynamics brought about by the ecological crisis.

Regulation Theory and Sustainable Development will be of interest to students and scholars of environmental politics, policy and governance.

Corinne Gendron is Professor in the Department of Strategy, Social and Environmental Responsibility at the University of Quebec in Montreal, Canada, and Head of its Research Center in Social Responsibility and Sustainable Development (CRSDD).

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Business leaders and ecological modernization
Corinne Gendron

**To Charles Thurber,
my philosophy professor, whose devoted teaching
is a constant source of inspiration.**

Foreword

This book stems from research conducted at Université du Québec à Montréal, but the influence of other academic communities such as Université de Montréal or Université Laval can also be felt. The construction of the book itself generates a great deal of interest because the author has made the task as difficult as possible for herself. In fact, Part I of the book is devoted to theoretical and general presentations of economic analyses of the environment, then of a number of sociological analyses, before embarking on a completely different type of study. This study involves examining business leaders' vision of the action and even the passion of all those who have strived to introduce an environmentalist dimension into the way our societies function. What justifies at the outset this duality of approach, which is so distinct as to be almost provocative, is that the same method has been followed throughout the entire book, namely the quest for an increasingly broad and rich vision of forms of action and social actors which introduce increasing complexity into the analyses of the environment and attribute increasing importance to social behaviour and its *raison d'être*, instead of remaining confined to a purely economic vision.

The focus of Part I is the regulation theory, the end point of the early chapters and a theme which is used to re-examine the specifically sociological approaches in the later chapters of Part I. Of course, the regulation school, which has been known for a long time, not only in academic circles but also in circles where social policies are developed, is generally aimed at reintroducing into the analysis the social factors that neo-liberal economics has continuously sought to dismiss or minimize. It is very important and totally justified for the author to have given central importance to the school of the regulation approach, since it is this approach which, without abandoning classical economic approaches, has endeavoured successfully to reintroduce the social environment by taking up and developing a tradition which was illustrated in the early twentieth century by the institutionalist school.

However, the same order is not followed for the analysis of sociological studies. The author attributes great importance to what she refers to as studies on collective action, but which can be summed up mainly as the study of resource mobilization, which is very fashionable these days. The advantage of this school is that it brings together liberal economists, Marxist economists and sociologists whose

initiatives are limited to identifying the methods used by social movements to obtain resources, develop alliances, establish a program and so on.

This is followed by a briefer and more critical analysis of my own writings in which, I have to confess, I had a bit of trouble recognizing myself, simply because the environmentalist theme has not been widely studied in my working group, except perhaps for the sociological paper on the first antinuclear groups, published under the title: *Le pays contre l'État*. However, I cannot complain about these criticisms, since, on the contrary, I anticipate progress to be made in a field that I have, quite unfortunately, not had the opportunity to explore. It is true that the study of new social movements and, especially, a new analysis of these forms of collective action have been presented in numerous publications, more recent than those published in my own body of work which, except for two relatively short articles, mainly date from more than 20 years ago, and which do not address the theme of collective action and social movements.

Nevertheless, at the end of Part I of the book, the reader will have gathered two impressions that should be highlighted. The first is that none of the viewpoints examined focus on the problems of the environment and political ecology, and consequently these problems have only been dealt with indirectly and thus as yet, inadequately. The second impression will be that of having indeed moved on, from the beginning to the end of this first part, to greater importance being attributed to the social actors, which is obviously a preparation for Part II. This second part is more original and more central and deals with economic leaders and, as revealed in their discourse, the importance they attach to environmental issues as well as, more broadly, their conception of economic development.

The first observations of the author highlight the clear difference that exists between the business leaders who are aware of environmental issues and those who are less so. Then, making an entirely justifiable choice, the author broadens the scope of her questioning and attempts to identify the positions of these economic leaders on the state, globalization and pressure groups, which leads her finally to distinguish between two well-defined categories of business leaders: interventionists and non-interventionists. This classification is quite strongly linked to that which has already been mentioned, contrasting those who are more sensitive to environmental issues with those who are less so.

Broadening her perspective further, Corinne Gendron questioned these business leaders on sustainable development, associating as closely as possible their general conception with a description of environmental issues. It is interesting to note that the two issues that were most often cited, much more so than the others, are those related to water and air, that is, issues that are quite general and, contrary to other issues, do not only involve the action of companies. Some business leaders accepted a definition of sustainable development which is more material and narrower than that which was popularized by the Brundtland Report and which takes account of the interests and needs of future generations.

The whole of this analysis, which takes up a substantial part of the book, strives to show in great detail, despite the business leaders' cautious responses, quite striking progress towards a vision that is less industrialist and more linked with

the theme of sustainable development, which defines, in the view of the business leaders, a new type of issue. Their positions might often seem overly cautious; nevertheless, they are strengthened by the fact that they recognize that there is tension between economic issues and environmental issues, while rejecting the idea of a contradiction between environmental preservation and economic growth. Such statements seem to indicate the existence of a group, albeit small in number but whose originality is certain, situated somewhere between those who think only in terms of the economy and those who think only in terms of state interventions in the major and long-term trends of social and economic life. Thus, it could be concluded that the study demonstrates that in a highly industrialized and modernized area such as Quebec, a concern about the ecological and social environment has penetrated to a certain extent into a purely economic and technological vision.

Such a result can be assessed differently depending on one's own expectations. Given the number of studies which show the will of business leaders to maintain the absolute priority assigned to economic analysis, we consider that Corinne Gendron has carried out useful, even important work, by revealing the existence of a kind of third party, and consequently showing that within the opinions of business leaders, there are factors of evolution and perhaps even of transformation.

Alain Touraine
Paris, July 19, 2004

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Introduction

As shown by the call for a Green New Deal when recovery plans were adopted to address the last financial crisis, environmental issues have taken on increasing importance over recent decades (Friedman, 2007a, 2007b; Barbier, 2009). Ecological awareness has been achieved through the mediatization of scientific discoveries and the action of pressure groups. However, the history of this awareness has also been punctuated by major industrial disasters. In 1976, an explosion in a chemical plant in Italy injured 200 people and poisoned 700 more. This accident gave rise to the Seveso Directive, which imposed a safety perimeter around high-risk establishments in Europe. The sadly famous Bhopal disaster, the most murderous in the industrial era, caused no fewer than 2,000 deaths and injured thousands in 1984. In the same year, an explosion of liquefied gas resulted in the death of 500 people in S.J. Ixhuatepec. Two years later, a fire in the Chernobyl nuclear power plant contaminated an extensive geographical area and caused a radioactive cloud which drifted all the way to Japan. Added to this was a series of oil spills (*Amoco Cadiz*, 1978; *Exxon Valdez*, 1989; *Braer*, 1993). More recently, the explosion of an AZF fertilizer factory in Toulouse, France, killed 29 people and severely injured 2,500 more, also causing important damages to the surrounding area. And in 2010, the BP Deepwater Horizon oil spill in the Gulf of Mexico, considered the largest offshore spill in United-States history, killed 11 oil platform workers and is still causing damage to marine and wildlife habitats as it endangers the fishing and tourism industries in the Gulf of Mexico.

Faced with what began to appear as a multidimensional crisis, societies started to mobilize from the 1970s onwards. This mobilization was launched in 1972 with the first major conference on the environment in Stockholm and the publication of the controversial book *Limits to Growth* commissioned by the Club of Rome (also known as the Meadows Report, 1972). The same year also saw the establishment of the United Nations Environment Programme (UNEP) with its secretariat in Nairobi. International conventions multiplied over the following decades: the Convention on International Trade in Endangered Species of Wild Flora and Fauna (also known as CITES, 1973), the Montreal Protocol on Substances that Deplete the Ozone Layer (1987), and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes (1989), followed in 1991 by an agreement specific to Africa (the Bamako Convention). In 1987, the World

Commission on Environment and Development published the now famous Brundtland Report (1987) which was followed by the Rio Conference in 1992. This conference proved to be a great moment of mobilization around environmental issues with the signing of the Convention on Biological Diversity and 40 parallel treaties on the environment and development, as well as the adoption of Agenda 21. In recent years, attention has been given to climate change through the Kyoto Protocol and further negotiations to limit greenhouse gas emissions internationally (Bali 2007, Poznan 2008, Copenhagen 2009).

Although the environmental crisis might have appeared to be localized at the beginning, when concern was mainly focused on the effect of certain damaging products used for specific purposes (for example, the ozone layer issue), today it is seen as a global and structural crisis. The ecological upheavals currently experienced by the planet are so extensive that they have rehabilitated certain fundamental philosophical issues (Lipietz, 1999) and led to a new understanding of notions such as progress, well-being and needs. Consequently, the environmental crisis brings into question the overall organization of society and involves social actors who must take a stand on the issue. But it also questions, first and foremost, the economic system that is characteristic of industrial societies, the development model and the modes of governance at the national and international levels.

From the 1980s onwards, environmental protection began to be recognized as a major issue by most social actors. Even business leaders, who had maintained an attitude of denial, began to pay attention to the issue (Duclos, 1991). In the late 1980s, a school of thought emerged combining business with the environment. Several top business leaders called for businesses to mobilize to help solve the environmental problem. In a break with tradition, business leaders were even invited to present their position at the Rio Conference. Entitled *Changing Course*, their report strongly advocated awareness among businesses and the importance of taking charge of the environment.

Business will play a vital role in the future health of this planet. As business leaders, we are committed to sustainable development, to meeting the needs of the present without compromising the welfare of future generations. New forms of cooperation between government, business, and society are required to achieve this goal . . . As leaders from all parts of society join forces in translating the vision into action, inertia is overcome and cooperation replaces confrontation. We members of the BCSD commit ourselves to promoting this new partnership in changing course toward our common future.

(Schmidheiny, 1992, pp. xi-xiii).

Industrial initiatives in favour of the environment seemed to multiply during the 1980s, including the CERES principles, the Business Charter for Sustainable Development created by the International Chamber of Commerce, and the Responsible Care program developed by the chemical industry. In 1996, the International Organization for Standardization (ISO) published the 14001 standard to help businesses manage their environmental issues and comply with new