

Chapter 28:
**'The relevance of the natural environment
for corporate social responsibility research'**

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INTRODUCTION

Corporate social responsibility (CSR) is a sub-discipline of management that has gained prominence in academic debate and business practice over the last two decades. It seeks to answer fundamental questions about what a business is, its basic purposes, how it relates to other sectors within society, how it shapes and is influenced by each sector, and investigates the nature and quality of these relationships. Although using 'social' in the label, CSR includes social, environmental, ethical, economic and political aspects of the business relationship with society.

The central challenge for CSR lies in realigning the inherent economic goals of business with the wider interests of society. In doing so, it challenges existing theories of the firm that conceptualize business as purely economic actors, and suggests that business may also occupy social, ecological, or political roles within society. The CSR debate also increasingly raises questions whether micro forms of governance, such as organizational codes, are effective in regulating the relationship between business and society, highlighting the need for more consistent, macro forms of social regulation (Matten and Moon, 2008). As such, CSR contributes to our understanding of business and the natural environment (B&NE) in many ways.

This chapter will first adumbrate CSR from the specific angle of this Handbook, then focus on different theoretical strands in the CSR literature that are particularly relevant in investigating the relationship between business and the natural environment. We will then provide a brief overview over some core areas of empirical CSR research highlighting specific links to the environment. Finally, we raise a few key questions in moving our knowledge on CSR forward in light of its relationship to environmental issues.

WHAT IS CSR?

Social and environmental concerns regarding business were made explicit long before terms such as CSR and B&NE were used. The first official recording of the term ‘CSR’ is commonly credited to Howard Bowen in 1953, who defined it according to the obligations of businessmen to make decisions in line with the ‘objectives and values of society’ (Carroll, 2008: 25). In the 1960s and 1970s, this was interpreted as businesses meeting its societal obligations through philanthropic activity rather than as changes to operational practices (e.g. Frederick, 2006).

Today, CSR is sometimes referred to as a ‘cluster concept’ (Matten and Moon, 2008), often used synonymously with other terms (such as corporate responsibility, corporate citizenship, corporate social leadership, corporate social accountability, responsible business, etc). As Lockett et al. have argued in a study of the CSR literature over a ten-year period, ‘CSR knowledge could best be described as in a *continuing state of emergence*. While the field appears well established ... it is not characterized by the domination of a particular theoretical approach, assumptions and method’, as it were, ‘a field without paradigm’ (Lockett, et al., 2006: 133). We would therefore contend that rather than being a well defined *concept*, CSR is more a *field of scholarship*, using a multiplicity of conceptual lenses and theoretical approaches (van Oosterhout

and Heugens, 2008). Nevertheless a broader analysis of the literature and emerging practice of CSR would suggest six core characteristics (Crane, et al., 2007: 7-9):

1. CSR focuses on voluntary activities of business;
2. CSR is concerned with internalizing or managing externalities;
3. CSR has a multiple stakeholder orientation;
4. CSR attempts an alignment of societal, environmental and economic responsibilities;
5. CSR emerges with a fairly common set of practices and values;
6. CSR goes beyond mere philanthropy.

CSR first became conceptually linked to the environment through the Brundtland Commission's definition of 'sustainable development' (SD, see Post [Chapter 29] in this volume). Mostly driven by the practitioner's discourse following the Rio Conference in 1992, SD has been conceptualized as a 'triple bottom line' for business, including ecological, economic and social goals (Elkington, 1997). This overlap has caused many companies, most notably in Europe, to use both terms interchangeably (Crane and Matten, 2010: 32). In academia the overlap is recognized conceptually but much of the empirical research still occurs along disciplinary lines (Seager, 2008). This is, however, starting to change as academics and practitioners begin to explicitly highlight the need for both social and environmental aspects in their work (Montiel, 2008; Moon, 2007; Topal, et al., 2009). Therefore, despite its relative vagueness (Norman and MacDonald, 2004), the central contribution of the SD concept to the CSR debate is the appreciation of the trade-offs between social and environmental responsibilities of business.

Leaving definitional questions at this rather broad stage, we now turn to how different theoretical streams in the CSR field shape, explain and help to predict issues related to the interaction of business and the natural environment.

CSR THEORY AND THE ENVIRONMENT

Generally, CSR theories are organized along a continuum from instrumental to values-based (e.g. Garriga and Melé, 2004; Windsor, 2006), with instrumental approaches focusing on CSR solely as a tool for improving the profitability of the organization, while values-based approaches conceptualize CSR as a moral imperative for business. This continuum provides the backdrop for discussing four groups of CSR theories with specific implications for the environment: instrumental, economic, network, and political approaches. Our focus will be less on instrumental or economic approaches (see Margolis et al. [Chapter 1] and Russo & Minto [Chapter 4] this volume) rather than on broader social and political explanations of the role business plays in social and ecological systems.

Instrumental theories

Instrumental theories justify CSR by demonstrating the link to traditional business imperatives. In most cases, the environment is treated as a set of resources which - if used more efficiently or innovatively - leads to cost savings or other types of competitive advantages (McWilliams and Siegel, 2001). Therefore, environmental and social resources are protected to the extent that they help improve competitive positions and business success (e.g. Kurucz, et al., 2008; Schaltegger and Wagner, 2006).

Often referred to as the ‘business case’, substantial parts of the CSR literature emphasize direct and indirect financial benefits associated with voluntary CSR. For instance, CSR improves competitive advantage (e.g. Burke and Logsdon, 1996; Husted and Allen, 2000; Porter and Kramer, 2002), through, for instance, improving reputation (e.g. Fombrun, 2005); reducing risks of litigation and social pressure (e.g. Zadek, 2004); or creating niche market opportunities such as ‘ethical’ or ‘green’ products (e.g. Shaw and Clarke, 1999). In this perspective, where CSR helps reduce costs through or generates new revenue, it is valued as resource for increased profitability.

Supporting this instrumental approach to CSR is the work on corporate social performance (CSP; Carroll, 1979; Swanson, 1995; Wood, 1991). This literature seeks to prove a business case for CSR by quantifying the direction and strength of the relationship between social/environmental and financial performance (Griffin and Mahon, 1997). Although the subject of debate for over 30 years, recent meta-analyses agree on an overall small but positive relationship mediated by a range of factors (Margolis, et al., 2007; Orlitzky, et al., 2003; Wu, 2006). CSR activity is thus justified on financial grounds and tolerated where it contributes to the financial performance of the organization.

Instrumental approaches to CSR and B&NE – particularly popular in the practitioner literature (e.g. Willard, 2007) - take a rather narrow view of the nature of the firm and the role it plays in society. CSR is seen as a resource to support organizations and their goal of maximizing profits. It is a legitimate investment equal to the degree with which it is an effective tool for achieving improved financial performance. CSR is therefore enacted at the micro level of society where agents within organizations identify and engage in specific social and environmental initiatives that support financial performance.

Economic theories

Economic theories treat CSR and B&NE as under-valued or excluded resources in the broader economy. To become a legitimate cost of production, and thus properly valued within the economic system, they must be converted from societal goods to types of capital. In other words, they must be internalized and adequately priced.

Economic approaches conceptualize different forms of capital. Financial (cash and investments), physical (infrastructure, land, equipment) and to some extent human (workforce and organizational culture) are traditionally included in the price of production. However, many aspects of social and natural systems are excluded from these categories. Reframing them as social (e.g. societal license to operate; Nahapiet and Ghoshal, 1998) and natural capital (e.g. ecosystem services such as cleaning air; Lovins, et al., 1999), translates them into the categories of the economic system. But it is only through valuing these services in monetary terms that they can be empirically included within the economy (Costanza, et al., 1997; Daly, 1998). Through re-framing social and natural systems as forms of capital and assigning them monetary value, they can be internalized into the economic system and included into the costs of production. Consequently, products and services more accurately reflect actual resources used and are priced according to their impact on social and natural systems.

In some ways then, instrumental and economic theories of CSR approach social and environmental issues in similar ways. Social and natural systems have value in as much as they can be quantified in monetary terms and therefore be included in cost/benefit calculations of organizations and their agents (Chiesura and de Groot, 2003). Reframing CSR issues as additional types of capital supports a relatively unchallenged view of the firm, the economic

system and the goals of business within society. However, economic theories differ from instrumental ones in two important areas: emphasis and level. The focus of CSR within instrumental theories is to help firms improve their competitive positions. Within economic theories, it is the attempt to internalize a broader range of social and environmental ‘services’ for the production of goods and services. While both perspectives reframe CSR issues to fit within the existing rationale, one does so to enhance profits, while the other aims at benefiting social and natural systems. The theories also differ in the level at which they are applied. While both focus on micro-level voluntary practices, instrumental theories focus on organizations, while economic theories focus on wider economic systems. Economic theories therefore maintain the existing logic of business and theory of the firm, but extend the range of legitimate inputs.

Network theories

Network theories challenge the notion of business and its role in society. In general terms, this broad group of theories investigates CSR through the relationships between economic actors and their surroundings. In some cases, they present a modest challenge to a theory of the firm, such as the vast body of work on stakeholder theory (e.g. Donaldson and Preston, 1995; Freeman, 1984; Phillips, et al., 2003), while in other cases the challenge is more substantive, such as ecocentrism (Gladwin, et al., 1995; Purser, et al., 1995; Starik and Rands, 1995). Common to this approach is a recognition that business is more firmly embedded within social and natural systems than core organizational theories, such as agency theory, suggests. Business is part of a much larger societal network in which each party has responsibility for itself and their relationships with others in their spatial and operational networks. Business logics must therefore be reoriented to recognize and integrate them. Of the many CSR theories based on network

approaches, there are three that are specifically pertinent to the B&NE relationship: stakeholder theory; ecofeminism, and sustaincentrism.

Stakeholder theory and the environment

Stakeholder theory focuses on the firm's interaction with groups that can affect, or are affected by the achievement of organizational objectives (Freeman, 1984). Deferring to Kassinis [Chapter 5] in this volume for the main arguments, we would here reiterate the aspect of representativeness: some stakeholders have more ability to voice their concerns and participate in corporate activities than others (e.g. Mitchell, et al., 1997). This is particularly serious for the environment because it cannot represent itself (Phillips and Reichart, 2000; Starik, 1995). It is instead represented by proxy through different human stakeholders (see Kassinis for details). Thus, environmental issues are represented only where they are sufficiently valued by humans who are prepared to pursue them.

Given these limits of stakeholder theory, Driscoll & Starik (2004) attempt to redefine the stakeholder concept to allow for the inclusion of environmental issues. They do so by redefining the three core concepts affecting representativeness (power, legitimacy & urgency, see Mitchell, et al., 1997), and adding 'proximity' as a fourth. Proximity refers mainly to physical proximity, where stakeholders are deemed legitimate due to their spatial closeness to the business (i.e. a river system into which effluent is released, a forest adjacent to a facility, or a community in which a company operates). Being 'next door' becomes a sufficient condition for attaining necessary legitimacy. In this way, proximity reshapes the stakeholder model to explicitly include environmental considerations even if not represented by humans, and as such places business back into its broader context.

Ecofeminism

In a similar vein, ecofeminism seeks to reemphasize the role of the firm in its wider societal context by focusing on the context in which ethical frames are created and practiced (e.g. Borgerson, 2007; Brennan, 1999; Derry, 2002). ‘The primary belief of ecofeminism is that the domination of women (as studied in traditional feminism) parallels the domination of nature and that this mutual domination has led to environmental destruction by the controlling patriarchal society...’ (Dobscha, 1993: 36-37). This approach seeks to make transparent the systems of dominance that are inherent in taken-for-granted beliefs about business and the environment. For instance, Dobscha (1993) challenges the notion that people make exclusively rational decisions around the environment. She suggests that our emotions, feelings and passion towards the environment significantly influence how we make decisions on environmental issues. By focusing on rational solutions to environmental problems (such as providing more information), society ignores much of what is required to encourage change. McMahon (1997) supports this critique by highlighting that traditional economic theory and the model of living promoted by traditional economists ignores its socially and environmentally destructive consequences.

By maintaining existing social frames and ignoring underlying power structures (see also Banerjee [Chapter31] of this volume), many theories of the firm contribute to the oppression and destruction of social and environmental systems by modifying ‘reality’ (Borgerson, 2007). Perpetuating these frames further entrenches the logics of business with the result that ‘corporate capitalism is one of the driving forces of the momentous changes currently reworking humanity into a global monoculture and vigorously transforming bioregions’ (Crittenden, 2000: 52).

Ecofeminism argues for a revolutionary shift in the business paradigm to redress these issues at a broad societal level.

Sustaincentrism

Coined by Tom Gladwin and co-authors (1995), the concept of ‘sustaincentrism’ starts from the position that business is embedded within social and natural systems and is a major contributor to social and environmental problems. It is therefore responsible not only to recognize these problems, but to make fundamental, systemic changes required to mitigate them (e.g. Bansal and Roth, 2000; Jennings and Zandbergen, 1995). The literature seems to focus on two aspects, first a reorientation of the firm towards its ecological environment (ecocentrism) and second a reorientation towards its social environment (‘socialcentrism’).

Ecocentrism highlights four common aspects (e.g. Purser, et al., 1995; Shrivastava, 1995; Whiteman and Cooper, 2000):

- A relative agreement on fundamental principles of ecology such as conservation and system limits;
- A rejection of current ‘environmental management’ approaches because they support the existing, destructive paradigm;
- A belief that business and ecological principles are not mutually exclusive;
- Organizations are targeted as core actors responsible for change.

In a similar vein the ‘socialcentrism’ literature highlights the systemic embeddedness of business in society and social systems at multiple levels (e.g. Aguilera , et al., 2007). The core challenge, this school of thought would argue is not just to recognize individual links between

firms and specific stakeholder groups (Key, 1999) but rather to embrace the complex and systemic interactions between business and its social environment (Stern and Barley, 1996; Walsh, et al., 2003). One of the more prominent approaches to take this further in the CSR literature is integrative social contract theory (ISCT; Donaldson and Dunfee, 1994; 1999). In essence ISCT suggests that business has a broader responsibility to society because of its membership in an implicit contract. Like all others in society, firms have implicitly consented to rules, practices and institutions that are mutually beneficial to all parties and form the basis for a contract of interaction. Thus firms have a contractual obligation to uphold the conditions of this agreement. It is assumed these contracts are governed by ‘hypernorms’ or universal principles which apply to all human condition (most notably universal human rights), and create the initial conditions for micronorms or context-based norms developed in smaller groups such as nations or communities. Ecological considerations in this context are just part of a larger, systemic embeddness of business through a multi-level web of implicit contracts with societal actors.

To sum it up, network theories relocate business within a broader social network and thus challenge the narrow focus of instrumental and economic theories on economic activities of the firm as separate from and largely ignorant of their impact on social and natural systems. All approaches discussed so far, however, share a focus on largely micro-level actors as agents of change, who must adapt their frames and practices towards a paradigm that is more relevant for the role business plays in society.

Political theories of CSR

As a relative recent newcomer to the debate, political theories question this domain by investigating the political nature of CSR (Detomasi, 2008; Scherer and Palazzo, 2007; Scherer et

al., 2009). This stream of work is based on the insight that in fact much of what corporations do, or are expected to do, in terms of responsibility towards wider society invades a space which in most liberal democracies fell traditionally into the sphere of political actors, most notably either governments or individuals in their roles as citizens (Matten and Crane, 2005; Moon, et al., 2005). Corporations becoming involved in providing healthcare, education or – in the B&NE context - designing voluntary measures for green house gas reduction turns them into political actors who ‘are increasingly part of the authoritative allocation of values and resources’ in society (Crane, et al., 2008a: 1). This debate has chiefly taken place under the label of ‘corporate citizenship’ (Scherer and Palazzo, 2008) and explores new roles and responsibilities of business in such an alleged political role. This debate resounds with the debate on B&NE in a number of ways, most pronounced around the concepts of ‘new corporate environmentalism’ (NCE) and ecological citizenship.

New corporate environmentalism

More recently, Jermier and co-authors (2006) have suggested the conceptual framework of ‘new corporate environmentalism’ (NCE), which is defined ‘as rhetoric concerning the central role of business in achieving both economic growth and ecological rationality and as a guide for management that emphasizes voluntary, proactive control of environmental impacts that exceed or go beyond environmental laws and regulatory compliance’ (ibid: 618). One of the key contributions of Jermier et al.’s (2006) lies in exposing the fundamentally politically nature of NCE. Corporations are at the core of shaping - some would even argue ‘hijacking’ (Welford, 1997) - the debate on environmental protection. Their voluntary engagement in (or sometimes obstruction of or even disengagement from) environmentally friendly management practices

locates them deeply into the broader public debate on a host of normative and highly political processes in societies both local and global. Looking at the rather technical nature of much of the literature on corporate greening, Jermier et al. (2006: 640) thus conclude that ‘developing a fuller appreciation of the political content and meaning of the NCE and avoiding reduction of it to technical issues’ is indeed one of the key contemporary challenges in the field. Business has a significant opportunity to shape and influence social and environmental issues for itself *and* other institutions. It is therefore a powerful actor in the shaping of society wide conceptions of ‘environment’ by influencing both macro level political debate and micro level business decision making. Even firms accused of greenwashing can be argued to move the debate forward by showing symbolic support for environmental rhetoric (Pulver, 2007). Thus whether symbolic or substantive, business’ contribution to green politics redefines and broadens the role of business in society.

Ecological citizenship

Ecological citizenship challenges the notion of a territorial citizenship based on individual rights. Instead, it emphasizes formal (collective rights *and* responsibilities) and substantive (participation and identity) aspects of citizenship that transcend traditional geographic boundaries (e.g. Delanty, 1997; Dobson, 2003; Saiz, 2005). It therefore shifts the primary political membership of an individual away from her nation-state, to one that focuses instead on the natural environment and other forms of community (Crane, et al., 2008b). An emphasis on participation means that membership is extended to include such groups as non-humans and future generations (Dobson, 2003). By reforming notions of citizenship to focus on broad

communities linked by rights, duties, participation and identity with social and natural systems, ecological citizenship becomes a foundation for interactions between members.

The key implication for the debate on B&NE hints at a change in how to conceptualize the relevant 'community' for business. Such a notion of community can include the local, physical surroundings of a business or it can focus on the widest set of stakeholders potentially affected by a business' impact on the natural environment, including future generations. Such broad notions of 'community', while clear conceptually, are problematic in application. To address this, Dobson (2003) suggests that the community to which a member is obligated is based on the 'ecological footprint' as a measure of an actor's (i.e. a firm or individual) impact on the limited natural resources in a given community (Wackernagel and Rees, 1996). Because certain actors (firms in particular) use more resources than others, this asymmetrical use results in asymmetrical obligations to other members within the community. Business therefore, as asymmetrical users of resources, has broader obligations within its community. Compared to network theories, political theories focus at the macro level, recognizing the fact that business *does* play a political role in society and advancing a new paradigm for business through changes in sociopolitical structures such as citizenship.

In summary, instrumental, economic, network and political theories of CSR seek to realign business with social and natural systems. Instrumental and economic theories largely support existing theories of business where the social and environmental issues are redefined and become tools for supporting the existing paradigm. Network and political theories seek not only to reorient specific practices or ideas, but to challenge the fundamental concept of business by extending and shifting the emphasis of its role in society. Although some theories have implications for macro levels within society they typically focus on changes at the micro level,

conducted by organizations and their agents. There is also some question as to whether these theories can deliver the realignment of business with social and environmental issues. While some approaches contest the underlying philosophy of the dominant business paradigm, they offer only partial solutions. CSR then is still in need of robust theory that realigns broader societal goals with narrow business interests. Network and political theories are a substantial step forward and could form a solid foundation upon which a new theory of the firm could be conceived.

ENVIRONMENTAL ISSUES AS DRIVERS OF THE CSR AGENDA

Although there exists a vast body of literature investigating the relationship between business and the natural environment, it is highly debatable which aspects of this literature comfortably sit within the CSR field. In fact, it is rather arbitrary to draw the line between clear CSR issues and environmental issues, as the broad scope of CSR would make environmental issues nearly always part of the CSR agenda by dint of their societal relevance. In this section then we will attempt to identify core areas of overlap between the two fields; i.e. where environmental issues have been crucial to the wider debate on CSR, and vice versa, where CSR has predominantly focused on and been driven by environmental issues. These areas have been chosen because they also highlight key questions within the CSR field.

One of the core questions is how to institutionalize a CSR theory of the firm and associated practices within business? In other words, how can CSR be moved from a voluntary, ad-hoc set of attitudes and practices, to a fundamental aspect of macro sociopolitical institutions? One

answer to this has been through self-regulation (see also King, Prado & Rivera [Chapter 7] this volume) often in the form of standardized management systems, also referred to as industrial metastandards (Uzumeri, 1997).

Industrial metastandards, the environment and CSR

As far as management systems are concerned it is conspicuous that these have first and foremost occurred with a predominant focus on the environment. One of the first, the British Standard for Environmental Management (BS7750), was introduced in 1992 (Bohoris and O'Mahony, 1994), followed by the EU Eco-Management and Audit Scheme (EMAS) in 1993 (Glachant, et al., 2002). Both of these were somewhat obliterated by ISO 14000 series in 1995 (Ghisellini and Thruston, 2005), which quickly gained a predominant momentum globally (Corbett and Kirsch, 2001). It is only within the last couple of years that a similar standard has been debated with regard to CSR and the ISO 26000 Standard on Social Responsibility which will come into effect in 2010 (Sandberg, 2006; Schwartz and Tilling, 2009). Although not certification-based, codes of practice/ethics/conduct as popular CSR instruments can also arguably be traced back to environmental issues (Bondy, et al., 2006). Most notably one of the first industry codes, the Responsible Care Program of the global chemical industry, was set up to address concerns over poor environmental practices of this sector (King and Lenox, 2000).

Both types of initiatives focus on standardizing different aspects of social and environmental issues with the goal of embedding these within organizations. The purpose of certified initiatives is to standardize the process by which social and environmental issues are managed (Thompson, 2002). For non-certified initiatives the purpose is to standardize specific issues for consistent management across broad operational territories (Bondy, et al., 2008). In either case,

standardization is believed to result in more consistent and effective governance of social and environmental issues, and to thus further embed them within firms (e.g. Paine, et al., 2005; Sethi, 2003; Williams, 2001).

The literature on environmental management systems offers other substantive insights for understanding CSR governance. Topics include the effective design of management systems focused on non-market issues (e.g. Kirkland and Thompson, 1999; Rondinelli and Vastag, 2000; Russo and Harrison, 2005), alternative forms of regulation (e.g. Stenzel, 1999), impacts of best practice performance (e.g. Christmann, 2000), the integration of individual and business level perspectives to improve sustainability and sustainable consumption (e.g. Amine, 2003), or how to effectively measure (e.g. Figge, et al., 2002) and report on social and environmental issues (e.g. Donnelly, et al., 2008). But the question remains whether the B&NE literature, mostly supporting the existing business paradigm (Purser, et al., 1995), can provide the kinds of insights into CSR governance necessary to effect a fundamental realignment of business and societal goals. In other words, can standardization of issues and governance processes support paradigmatic changes to the role of business in society? Whether and to what degree this is possible is still of much debate in the literature, and forms one of the open questions within the field.

CSR and the environment in comparative perspective

Since early research into CSR was chiefly conducted in a North-American context (Carroll, 1979; Davis, 1960; Sethi, 1975), another line of CSR research has been comparative studies, aimed at understanding the global variations of this management idea over the last two decades

(Matten and Moon, 2008; Williams and Aguilera, 2008). This perspective casts an interesting light on the relationship with and the role of environmental issues for the wider CSR debate.

As Carroll (2008) argues in his historical overview over CSR the agenda in North America was chiefly set by CSR as corporate philanthropy and community involvement, followed by issues of equal opportunity in the 1970s and ethical issues in the narrow sense (such as corruption or discrimination). Environmental issues entered the agenda relatively late. This is mirrored by the academic debate on the issues. While there is a long history of CSR related journals, such as *Business & Society* (founded 1960) or *Business and Society Review* (1972), journals focusing on B&NE issues, such as *Organization & Environment* (1987) or *Journal of Industrial Ecology* (1993) were set up much later and are dedicated to more specific issues rather than just broadly B&NE. It took the mainstream of the academic debate until 1995 to accept the relevance of the B&NE topic, if the first special issue/section on the topic in *Academy of Management Review* in 1995 is anything to go by.

In Europe, the situation is rather different. CSR as an explicit management concept came into fashion in the 1990s, underpinned by implicit business responsibilities to society in the setup of societal institutions that govern business behavior (Matten and Moon, 2008). It was only in 2001, that the first European academic journals on CSR were set up (*Corporate Governance: The International Journal of Business in Society* and *Journal of Corporate Citizenship*). However, B&NE, as a largely independent field of business practice and academic investigation had already emerged during the 1980s. Journals such as *Business Strategy and the Environment* (1992), *Journal of Cleaner Production* (1993) or *Ecomanagement and Auditing* (1993) were among the first journals to address the B&NE interface. Conspicuously, the range of the journals was never quite focused just on the environment and many issues of a more generic (North

American) CSR agenda gradually entered the debate. This general trend, that the debate on CSR (as an explicit management concept) in Europe emerged from the B&NE field is reflected by the fact that the first proper CSR journal, *CSR and Environmental Management*, turned out to be a renaming of *Ecomanagement and Auditing* in 2001. It might be fair to say, that the contemporary debate on CSR in Europe is largely a sequel to earlier debates on B&NE, often under the label of SD. This is probably nowhere better reflected than in the title of the EU Commissions' central policy document on CSR, which just equates CSR with SD (Commission of the European Communities, 2002). This latter observation provides an interesting backdrop for some final remarks.

CSR AND THE NATURAL ENVIRONMENT: CONVERGING AGENDAS

While the fields of CSR and B&NE have developed into academic areas of inquiry independently from each other, it is clear that there is significant overlap and a common purpose. Even a cursory look at the core issues in both fields, such as the debate on business and climate change (e.g. Begg, et al., 2005; Hoffman, 2005; Levy and Kolk, 2002), illustrates the overlap and convergence of both literatures. While clearly an environmental issue a quick glance at many CSR websites of large MNCs is enough to see that business responses to climate change are seen as part of their wider CSR or sustainability commitments. They tend to portray it as one of many overlapping issues that have both social and environmental implications, and to which they bear some responsibility. A similar situation can be seen with regard to other contemporary environmental issues, such as water management or biodiversity. Addressing these issues is not

just a question of solving an environmental problem. They rather raise questions not only around business responsibility for global justice or its role in private and public governance, but also more narrowly evoke classic CSR tools, such as voluntary commitments and industry agreements, stakeholder consultation, human rights management or reporting and auditing. Addressing these environmental issues, from a CSR perspective, nearly always involves a careful consideration of the trade-offs between environmental, social and economic responsibilities of the firm. It is therefore to no surprise that CSR has so willingly adopted the language of SD or the ‘triple bottom line’ (Norman and MacDonald, 2004).

CSR and B&NE also share a common purpose. Both fields search for new conceptualizations of business that incorporate wider goals of society and recognize limits of social and natural systems. Thus, both offer alternative theories of the firm and recommend actions to embed and realign business with these goals. However, there is a need for further integration of both social *and* environmental considerations within each literature, as current conceptualization often favors one set of issues over another. There is also need for extension or new alternatives to these perspectives to better address a broader scope, from micro level actors to macro level institutions operating across geographical territories. Thus, new theoretical conceptualizations of business must be both multi-level and multi-disciplinary to adequately capture the complexity and interconnectedness of relevant phenomena. From there, research also needs to address how to institutionalize these alternative paradigms for business at multiple levels, in particular addressing the embeddedness of CSR within sociopolitical institutions. Those debates in both the CSR and B&NE literatures will not only share common concerns with regard to practical or instrumental questions (such as standardization), but also more strategic and normative concerns about the role of business in society (incl. ecological aspects) in general. Addressing social

responsibilities does inevitably include the relevance of environmental concerns for society and – vice versa – the big environmental challenges for business cannot be discussed without considering their implications for wider society. The resulting question about the purpose and responsibilities of business and new theoretical conceptualizations of what a business is for then inevitably suggest a further convergence of the CSR and B&NE literatures.

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