

# The unlikely role of private enterprise in managing global environmental preservation

December 31 2013, by Susan Griffith

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Business gets blasted for not only ignoring the world's environmental problems, but for contributing to them. But a new book by Case Western Reserve University political scientist Jessica F. Green explains how private firms, in many cases, are emerging as leaders in tackling the world's climate concerns.

Some, Green writes in *Rethinking Private Authority: Agents and Entrepreneurs in Global Environmental Governance* (Princeton University Press, 2014), are actually creating and enforcing climate-friendly rules that exceed those of international treaties and government regulations.

For example, Walmart set long-term goals in 2005 for renewable energy, waste reduction and other sustainability measures. The world's largest retailer also created an index to help its suppliers evaluate the sustainability of their products and performance—with the requirement that those companies either meet the standards or lose Walmart as a customer.

"For better or worse," writes Green, "Walmart is now a global rule-maker for sustainability."

And, in anticipation of legislated environmental measures, Walmart recently announced it would cut 20 million metric tons of carbon emissions from its supply chain by 2015, further pressing suppliers to comply or else. Other companies are following suit.

Green argues that many companies want to make changes, but sometimes do not know how to do so. For example, in the early 2000s, many companies anticipated a carbon-restricted future, but did not know how to measure their carbon footprint, let alone reduce it.

In response to this demand, two nongovernmental groups, established standards companies could use to gauge their success. Today, corporations and organizations have widely and voluntarily accepted those private standards.

Elsewhere, timber producers are changing their practices to conform to sustainability rules, such as those created by the non-governmental organization the Forest Stewardship Council (FSC). Now retailers like Home Depot only sell wood products certified by the FSC.

The Carbon Disclosure Project has successfully made climate reporting a regular practice among Fortune 500 companies; now investors representing \$10 trillion in assets can make investment decision based on companies' vulnerability to climate change, Greene said.

These examples show the breadth and depth of private authority—situations in which non-state actors serve as de facto regulators to solve global [environmental problems](#). In the book, she traces a century of private environmental rulemaking, from 1900 to the present day.

"Increasingly," she writes, "private actors assume duties normally considered the province of governments. They are taking on the role of regulators as they create, implement and enforce rules to manage global environmental problems."

Green's account provides important historical context for understanding current approaches for solving environmental problems. Although firms

and NGOs are becoming increasingly prominent in global environmental politics, they are not acting alone; governments are still very much part of the picture. They decide whether, when and how they will relinquish control.

However, private authority is another important tool in the arsenal. Environmental problems are complex, Green argues, so are the regulatory solutions required to solve them in a timely manner.

Provided by Case Western Reserve University

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