

HOW COULD BUSINESSES PROMOTE ENVIRONMENTAL RESPONSIBILITY?

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BACKGROUND

Despite extensive economic growth and increases in the quality of life over the last 100 years, there still to a greater extent concern over this era of wide industrialization because of its substantial negative effects on the natural environment and that these effects diminish the quality and sustainability of our ecological systems. Further, in terms of localized problems such deforestation and pollution, recent scientific studies have revealed global scale effects such as ozone depletion and climate change. The long-term economic impacts of these effects may be quite substantial on economies especially developing countries in regards to mitigating and adapting to its effects.

The campaign against climate change and fostering of environmental sustainability is and has been a strategic issue to address for many countries across the world, this happens within the broader perspective of sustainable development. It is an established fact now that climate change has the potential to alter the ability of the earth's physical and biological systems. It impacts different regions and sectors differently based on their sensitivity and adaptive capacity, and therefore, vulnerability remains an area of concern to LDCs.

Introduction

Today, consumer behavior and Business investments are influencing /impacting various environmental and social spheres. Among the consequences are climate change, biodiversity loss and pollution that in turn adversely impact on the socio – cultural set up – vulnerability to poverty, diseases and cultural degradation. For this reason, environmentally-friendly practices must be adopted not only by environmental activists but also by Business practitioners such as farmers, business developers and owners, food processors and retailers etc. in order to formulate linkages that would provide a complex and multidimensional approach to addressing/ promoting sustainable development.

While developing countries should not forget their vulnerability to effects of climate change, they should at the same time endeavor to develop in way that will not compromise the ability of future generations to meet their own needs hence environmental sustainability in Africa and other developing countries should take center stage in both social and economical policies. The less developed countries have been in a hurry to develop economically even at the expense of the environment, this is so in many cases due to political tenures and ruling governments wanting to stay in power, we have seen this in many instances .however, a new shape of business models should allow Businesses and entrepreneurs, project developers and contractor and investors to ecologically consider the impact of their development on the environment.

BUSINESSES TO FACE EMERGING CHALLENGES

The role of businesses in resolving such environmental challenges is emerging as a subject of high importance. Businesses are considered as a central force of economic development, as it generates growth and serves as a vehicle for innovation and change. For businesses, this is more important to consider as there is high level of socio-economical and political accountability under the widely accepted domain of green assets management. Businesses have huge social and environmental responsibilities. These responsibilities should be fulfilled while venturing for profits in the business. This philosophy of environmental accountability helps companies in two ways, Firstly establishing businesses as ethical brand and secondly developing a market niche in the present competitive market. Companies understand these concerns and therefore, to a great extent many businesses have been

adopting ‘green marketing policies’ and ‘Energy Efficient Technologies’. Remarkably, this trend has affected both the forward and backward linkages of product life cycle.

Of late, businesses have been attempting to interlink with other companies with similar vision and mandate to create a true international business domain, which is environmentally responsive. This is possible through transfer of efficient technologies from technologically sound entities to businesses, which implies that there should also be an appropriate symbiosis between Research & development entities and businesses with basic motive to propagate efficient –affordable and commercial profitable innovations. In another word, businesses do not need merely businessmen, rather need ecological entrepreneurs, who will have charisma and power to modulate negative environmental changes and capabilities to create new opportunities.

BUSINESSES TO BECOME ENVIRONMENTALLY RESPONSIBLE

Historically, much of big business has pursued investment, production and marketing strategies that have resulted directly in extensive waste and degradation of natural resources or encouraged consumption patterns that do the same. Logging and mining enterprises, pulp and paper mills, agribusiness, oil, chemical, cement, iron and steel companies, as well as many other enterprises, have degraded natural resources as well as global climate.

Now, there are signs that businesses are on the verge of recasting their relationship to both the environment and their stakeholders. Many companies for example here in Zambia are adopting a discourse and policies that suggest that businesses can simultaneously make profits and be good citizens. There appears to be a growing recognition that the increasing freedom enjoyed by business during the era of the so-called Washington Consensus needs to be complemented by increased responsibility.

There could be two basic motives, for which businesses implement and practice environmentally responsive behaviors,

(i). **Existing environmental law and regulations** compel businesses to execute certain mandatory practices and therefore, companies adopt environmental measures as per statutory norms and guidelines. In our case we have Zambia environmental management agency (ZEMA) who are mandated

to enforce these laws and regulations and to help companies develop these policies that environmentally friendly.

(ii). Businesses identify a profit motive in the negative externalities of environmental degradation and attempt to capitalize on the market failures, conceded from the exploitation of environment.

Indeed, pressures from stakeholders (environmental organizations, civil societies, municipal councils, community members, governmental relevant departments) have also acted as catalyst for this transition. Companies respond to the numerous pressures that exist in their external and internal environments today, from a wide range of stakeholders that are pushing for greater environmental and social responsibility. A third source of pressures can be termed institutional and includes a proliferation of “best of” rankings, the steady emergence of national principles and standards that raise public expectations about these responsibilities, and new reporting initiatives emphasizing the triple bottom lines of economic, social, and environmental performance. This necessitates a new relationship for businesses with the environment and society. It is as much an approach to promote economic growth and competitive advantage as it is to encourage environmental responsibility.

ENVIRONMENTAL SUSTAINABILITY IN BUSINESSES

However, true environmentally responsible businesses should have action plan for creating environmental sustainability which could perform beyond mandatory and standard legislation related to environmental and social protection, this is what we need to start introducing in developing countries. The environmental sustainability of businesses should not be a ‘*Green House*’ but it should actually reduce negative environmental impact and develop an ecologically resilient society, which should meet the needs and requirements of the present without compromising the ability of future generations to meet their own needs. The planet Earth needs to be capable of supporting ongoing and future business practices if they are to be considered genuinely sustainable from both an ecological and an economic perspective. There is no simple solution to this situation, but different perspectives may contribute to create conditions and models of sustainable business practices, which are ethical demands of environmental sustainability. As developing countries we could contextualize businesses to fulfill the ethical demands of environmental sustainability through two major approaches, *Internally-oriented*

Environmental Responsibility Practices and externally-oriented Green Management Practices. A few specific measures under these two approaches have been explained below.

Internally-oriented Environmental Responsibility Practices-

It is felt that businesses should focus on the internal management of materials, products, and processes that have potentially negative environmental impacts and that add costs to and reduce efficiency in their operations. Businesses must recognize that proactive environmental management can also be good business, leading to more efficient, cost-effective and profitable results. Therefore, internally-oriented practices that contribute to sustainable development include: 1) enhanced regulatory compliance to reduce the Business's negative environmental impacts of hazardous emissions in communities in which they are located; 2) adoption of pollution prevention and clean manufacturing practices that eliminate pollution before it occurs; 3) redesign of products and processes to achieve more beneficial environmental impacts for customers and communities; 4) materials reduction, recycling and reuse; and resource conservation.

1. Enhanced Regulatory Compliance

Businesses should adopt voluntary proactive environmental management systems that go well beyond what local or national regulations require. Notably, businesses like unilever and some mining companies have created their own corporate environmental and safety standards that meet international guidelines. These corporate standards are often more stringent than the requirements adopted by governments and are usually applied by all of their facilities worldwide

2. Pollution Prevention and Clean Manufacturing Practices

Businesses should adopt clean manufacturing practices that prevent pollution before it occurs not only in their own operations but also among their suppliers, vendors and contractors. There should be a company mandate for making substantial investments in cleaner manufacturing technology to improve supply chain performance which will ensure to introduce pollution-prevention measures in production and distribution system.

At the same length, it is found that clean manufacturing system is possible through technology and innovation.

a. Technology and Innovation,

Continuous efforts for technology innovation and scaling up those technologies commercially should also be considered by businesses. Similarly, businesses should remove obsolete and inefficient technologies and adopt efficient technologies which could produce more outputs with less energy consumption. For example, companies, which have needs of steam and power, could install high pressure boilers to fulfill the steam requirement as well as produce power through installing efficient turbines. In a similar fashion, companies should also try to adopt waste heat recovery, which could have otherwise vented to the atmosphere and could pollute the environment. ZESCO here in Zambia must emulate these practices.

3. Improving Process and Product Efficiency

In continuation of the previous two measures, businesses should also have internal policies for improving processes, involved in the backward and forward linkages of any production process. This measure should aim to produce efficient products, which are environment friendly, recyclable, non-toxic and sustainable. Therefore, process optimization is the thumb rule for this measure, which also includes use of renewable source of energy for production processes.

a. Paradigm shift in Energy Source

Businesses should use feedstock of renewable origin to meet the energy demand in their production and distribution or marketing mechanisms. Those feedstocks should be less carbon intensive, having ZERO probability to emit Green House Gases [GHGs] and which could fulfill all the process requirements of the business operations.

4. Waste Treatment and Management

Companies should also take due care to produce least possible “effluents and hazardous byproducts, and that least volume should also be treated and managed to convert to energy [Waste to Energy] so that it

could be reused in the production processes. Existing waste-management practices can provide effective mitigation of GHG emissions. A wide range of mature, environmentally-effective technologies are available to mitigate emissions and provide public health, environmental protection, and sustainable development co-benefits. Collectively, these technologies can directly reduce GHG emissions or avoid significant GHG generation.

Externally-oriented Green Management Practices

It is a widely accepted fact that businesses should develop a symbiosis with stakeholders, environmental interest groups, and communities to address important environmental problems and it could be practiced in three ways:

- 1) Incentives for companies' employees and managers to collaborate with external stakeholders on environmental improvement projects;
- 2) Philanthropic activities that support community, national, and international efforts to improve environmental conditions and
- 3) Strategic alliances between businesses and environmental and public interest groups to solve crucial environmental problems.

In addition to the aforesaid two broad categories, it is felt that business should also adopt green marketing practices, along with capacity development of its human resources and other timely measures. A brief description of a few strategies is given below.

A. Green Labeling:

It is felt that going green for the sake of being different is not enough. Aside from differentiating oneself, going green has to be relevant to his target customers. It has to mean something to them. Passing this message to consumer is also very important. Based on the recent trends, it could be recommended that blogs or social networking sites are extremely effective to promote green products.

B. Human Resource Development:

Developing skills of human recourse of businesses is also an important strategy for environmental sustainability. Both the frontline workers and middle and senior level managers should be trained on 'green technology'. The human resources of businesses should be change agents for transforming the businesses and its operations. Companies could arrange periodic training and capacity development programs and can ensure appropriate adoption of efficient and timely green initiatives in the companies.

Mandatory Carbon Disclosure:

As a precautionary and proactive approach businesses should practice a detail accounting of their carbon footprint in a defined time frame. This accounting should illustrate the strategy, targets, performance, and benchmarking of how the companies are working to reduce its impact on and adapt to changing environment and climate. This will benefit businesses in two ways; in managing the emissions, if there is any and enhancing efficiencies of the different process with appropriate adoption of new technologies.

GHGs mechanisms of environmental markets:

Indeed, companies could also take help of the current market mechanisms of environmental domain, such as Clean Development Mechanism [CDM], Joint Implementation [JI] and emission trading. These measures are in place under Kyoto Protocol could also ensure efficient technology transfer and enable businesses under the recently concluded COP-15's mandate on 'Technology Innovation'.

Conclusion

Therefore, to conclude, it could be reiterated that businesses should emerge with proactive company policies, highlighting a mandate to fulfill socio-economic and environmental ethics as well as percolating the co-benefits of those measures to the masses. Businesses must represent a desire to integrate the economic, environmental and societal aspects of its business to achieve sustained financial success, safeguard the environment and develop the company's reputation as a respected corporate citizen. In order to make alliances and partnerships between businesses and external stakeholders work, the World Business Council for Sustainable Development points out those businesses must develop an integrated approach to environmental management, have committed top management leadership, see employees as partners, and continuously pursue positive actions. However, for this approach, businesses

must develop a management culture that explicitly recognizes the importance of social and environmental responsibility. Openness and accountability are essential to earn the trust.

It is believed that if businesses realistically and carefully make attempts for sustainable development, it can reduce the adverse environmental impacts of business operations on local communities, develop clean manufacturing and pollution prevention processes and technologies, explore environmentally neutral or beneficial products and services, and help conserve natural resources and improve environmental conditions around the countries. And, indeed, businesses will need to integrate this sustainable development policy, and associated programs and standards fully in all activities and all functions as an essential element of management.

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