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# Role of Governments and Nongovernmental Organizations

#### **LEARNING OBJECTIVES**

By the end of this chapter, you should be able to do the following:

- Understand the role of governments in promoting sustainability
- Present the role of the U.S. Environmental Protection Agency (EPA).
- Explain Agenda 21 and the role of local governments.
- Discuss the history, growth, and funding of **nongovernmental organizations** (NGOs).
- Expand on the role of NGOs in social development, community development, and sustainable development.
- Explore NGOs and business partnerships.
- Discuss the role of NGOs and sustainable consumption.
- Present the five types of environmental NGOs.

# Chapter Overview \_\_\_\_\_

This chapter presents the role of governments and NGOs in promoting sustainability. We start with the role of governments in advancing sustainability and provide some examples of legislation along with the role of the EPA. Next, we segue into the history and the growth of NGOs and the role of NGO funding as it relates to power. We discuss the role of NGOs in social development, community development, and sustainable development and present cases of partnerships between NGOs and businesses. We conclude with a detailed discussion on a specific category of NGOs: the environmental nongovernmental organizations (ENGOs).

## **Role of Governments**

What role, if any, should governments play in promoting sustainability? Governments worldwide are beginning to recognize the challenge of sustainability, and this term is being addressed in public policy discussions. Any one government cannot work in this area alone; it is imperative to work with other governments in order to address the issue in a global context. According to a GlobeScan poll of experts, the leading role in achieving sustainability will be played by business (35%), followed by NGOs (30%), and governments (24%) (Bell, 2002). Chapter 8 discussed the role of business in advancing sustainability, and this chapter will discuss the role of governments and NGOs in advancing sustainability.

Governments need to be able to anticipate rising demand for sustainable products and services. Governments can play a key role in aiding the transition toward more efficient, less damaging economies. Those governments that can lead in this role would be able to set the agenda for their economies, industries, and citizens (Peck & Gibson, 2002).

In most developed countries, like the United States and Canada, the government is the largest employer, the largest landowner, and the largest fleet owner. The government is also the largest consumer of energy and has the largest impact on the environment. It stands to reason that governments should incorporate sustainability principles in their internal operations (Bell, 2002).

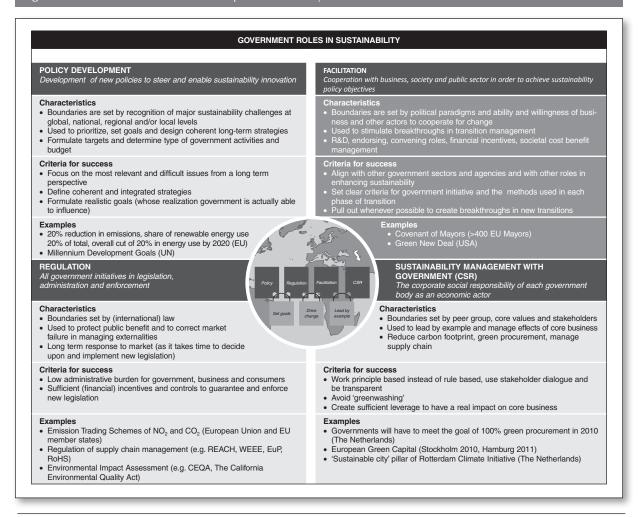
In developing countries, the role of the government assumes even greater significance. Within the realm of sustainability, the governments ought to encourage companies to address the needs of the world's entire population (Prahalad & Hart, 2002).

According to a KPMG report, the government has four distinct roles in addressing sustainability concerns. These roles are as follows:

- 1. Policy development
- 2. Regulation
- 3. Facilitation
- 4. Internal sustainability management

As shown in Figure 9.1, each of the policy making, regulating, facilitating, and internal sustainability managing roles of government has its own characteristics and success factors. Combined, these roles have the potential to effectively support sustainability management through setting goals, driving change, and leading by example ("Sustainable Insight," 2009).

Figure 9.1 Four Government Roles to Spur Sustainability



Source: Sustainable Insight (2009).

# **Changing Role of Governments**

Increasingly, governments are called to form partnerships ranging from the ones with other levels of government to ones with civil society organizations (CSOs) and the private sector. In terms of advancing sustainability, the government can also play a significant role. The five roles are discussed as follows:

1. Vision/Goal setter: Governments need to provide vision and strategy to incorporate sustainability in public policy. Concepts such as natural capitalism (discussed in Chapter 6), eco-economy (Brown, 2009), and green economy (Milani, 2000) call for grand-scale transformations in systems dealing with energy, waste, water, and governance. Governments would need to develop strategies for a transition to an economy based on sustainability principles.

- 2. Leader by example: Governments can improve the environmental performance of public procurement (Organisation for Economic Co-operation and Development [OECD], 2002), whereby public funds are used in construction of highways and buildings, power generation, transportation, and water and sanitation services. Green procurement can also provide impetus to innovative and environmentally friendly products. As an example, Japan used procurement of low emission automobiles to drive innovation (Bell, 2002).
- 3. Facilitator: Governments need to create "open, competitive, and rightly framed markets" that would include pricing of goods and services, dismantling subsidies, and taxing waste and pollution, etc. However, as Lester Brown (2002, p. 26) pointed out, "not one country has a strategy to build an eco-economy".
- 4. *Green fiscal authority:* Governments are exploring environmental taxes and market-based instruments for ecological fiscal reform. Though the market solutions can be more amenable to businesses for their flexibility, these approaches might not be the best at pricing certain environmental assets such as clean water (Bell, 2002).
- 5. *Innovator/Catalyst:* The government needs to play a strategic role in advancing innovation in all sectors of society since the advancement of sustainability will demand changes. There is a strong need for technological and policy innovation (Bell, 2002).

The traditional role of a government is one of an authority figure that protects public interests and regulates industries. This role is changing as governments are working collaboratively with other stakeholders from companies to CSOs. As the roles of governments change, so do their responsibilities. Indeed, the whole future of a sustainable world can be shaped by the policy decisions taken by governments, individually or in collective forums.

## **Policy Instruments**

There are two basic policy instruments that can be employed by governments: (1) direct regulation and (2) market instruments and economic/fiscal measures.

#### **Direct Regulation**

The first form of public policy on environment was direct regulation. These approaches are also termed as *command and control* approaches since the taxes are set by the regulatory agency or the government, and the companies need to comply and pay these taxes. Though taxes are controversial and governments have faced pushback to the idea of carbon taxes, regulation is still an effective mechanism to ensure minimum performance from those players that are reluctant to comply.

#### Market Instruments and Economic/Fiscal Measures

This category includes any set of instruments that reward innovation in sustainability from the private sectors. These instruments can include subsidies, taxes, ecolabeling schemes, and public procurement policies. The idea is that if the private sector is given enough motivation, the sector itself would come up with the best way to solve a problem. One such example was the cap and trade system, wherein the cap on emissions would be set by the regulatory agency, and companies would have an incentive to lower emissions and trade the extra permits. Research does indicate that market mechanisms are efficient, flexible, and more palatable to industry (Dhanda, 1999). More detailed discussion on command and control versus market schemes will be presented in Chapter 11.

In addition, governments can also employ new policy instruments that expand the range of alternatives to regulation and legislation. The task of choosing the best "mix" from this wider array of possible options is not straightforward (Howlett & Ramesh, 1995), and research is ongoing to assess these various alternatives. For example, Italy is experimenting with a scheme that provides the consumer with a modest (1%) sales tax reduction on the price of green products. France, on the other hand, has introduced mandatory corporate sustainability reporting (Bell, 2002).

## Role of the Environmental Protection Agency

In the United States, the largest regulatory organization is the EPA, one that from the time of its inception acted as a watchdog for the environment implementing pollution control regulations and ensured that businesses met the legal requirements. As time progressed, the EPA's role has changed from pollution control to pollution prevention. This change has led to implementation of some market-based regulation such as the Acid Rain and NOx capand-trade programs to reduce emissions. For the future, EPA is looking at advances in science and technology and government regulations and promoting innovative green business practices ("What Is EPA Doing?" n.d.).

## Advances in Science and Technology

These advances in science and technology are important for robust environmental policy. The Office of Research and Development (ORD) at the EPA works to develop long-term solutions. In addition, this office provides technical support to the EPA regional offices and to state and local governments.

#### Government Regulations and Practices

Executive orders are edicts that are issued by the president. Two executive orders have been aimed at the environment:

Executive Order (EO) 13423 sets policy and goals for federal agencies to "conduct their environmental, transportation, and energy-related activities under the law in support of their respective missions in an environmentally, economically and fiscally sound, integrated, continuously improving, efficient, and sustainable manner" (What Is EPA Doing?" n.d.).

EO 13514 builds upon EO 13423 "to establish an integrated strategy towards sustainability in the Federal Government and to make reduction of greenhouse gas emissions (GHG) a priority for Federal agencies" ("What Is EPA Doing?" n.d.).

The EPA also implements a range of programs to reduce the environmental impact of its operations. These can range from retrofitting old buildings to the construction of newer, more energy efficient buildings. In addition, the Sustainable Facilities Practices Branch publishes the annual reports on energy management and conservation programs.

## List of Environmental Protection Agency Programs for Sustainability

There are numerous EPA policies and programs that have helped to shape new ways of manufacturing and doing business (Hecht, 2009). Here are some examples:

Supply Chain and Manufacturing

Green Suppliers Network

Lean Manufacturing

Design for the Environment

Clean Processing

Green Chemistry Program

Nanoscale Materials Stewardship Program

Management and Performance

Sector Strategies Program

Performance Track

Preferential Purchasing

EnergyStar

WaterSense

In addition, the EPA provides resources for sustainable practices. Within the category of urban local sustainability, these programs range from smart growth and urban heat mitigation to waste composting and water resource programs. Within the category of industrial sustainability, the programs range from green engineering and IT to ozone alternatives and safe pesticides ("Science and Technology: Sustainable Practices," n.d.).

These programs aim to shape practices that go beyond controlling pollution to actually changing the strategic thinking of companies. According to the EPA, environmental protection will be created by a vision that inspires businesses and consumers rather than by disincentives to pollute ("What Is EPA Doing?" n.d.).

## Local Governments for Sustainability

Much of the work on sustainability has been accomplished at the local level. One of the most comprehensive programs is **Agenda 21**, which calls for involvement at the local, national, and global level. Agenda 21 articulates a series of environmental strategies for the management of natural resources and the monitoring and reduction of chemical and radioactive waste. It also contains socioeconomic plans to improve heath care, to develop sustainable farming development and fair trade policies, and to reduce poverty (Agenda 21, n.d.-b). Furthermore, Agenda 21 requires local governments to develop their own "Local Agenda 21" for sustainable development. Agenda 21 is a large document with 40 chapters. The appendix to this chapter contains Chapter 27 of Agenda 21, one that discusses the role of NGOs.

Another local association is the International Council for Local Environmental Initiatives (ICLEI)—Local Governments for Sustainability, comprised of over 1,200 local government members. The members of ICLEI represent 70 countries and more than 569,885,000 people (About ICLEI, n.d.). The programs and projects of ICLEI call for the following:

participatory, long-term, strategic planning process that address local sustainability while protecting global common goods. This approach links local action to internationally agreed-upon goals and targets such as: Agenda 21, the Rio Conventions on Climate Change, Biodiversity, and Desertification, the Habitat Agenda, the Millennium Development Goal, and the Johannesburg Plan of Implementation. ("Our Themes," n.d.)

# Nongovernmental Organizations \_\_\_\_\_

#### Definition

What is an NGO? The term NGO stands for nongovernmental organization, and it includes a variety of organizations such as "private voluntary organizations," "civil society organizations," and "nonprofit organization"

(McGann & Johnstone, 2006). The term NGO describes a range of groups and organizations from watchdog activist groups and aid agencies to development and policy organizations. Usually, NGOs are defined as organizations that pursue a public interest agenda, rather than commercial interests (Hall-Jones, 2006).

It is believed that the first international NGO was probably the Anti-Slavery Society, formed in 1839. However, the term *NGO* originated at the end of World War II when the United Nations sought to distinguish between private organizations and intergovernmental specialized agencies (Hall-Jones, 2006). NGOs are a complex mixture comprised of alliances and rivalries; businesses and charities; conservatives and radicals. The funding comes from various sources, and though NGOs are usually nonprofit organizations, there are some that operate for profit (Hall-Jones, 2006).

NGOs originate from all over the world and have access to different levels of resources. Some organizations focus on a single policy objective of AIDS while others will aim at larger policy goals of poverty eradication (Hall-Jones, 2006).

## History of the Nongovernmental Organizations Movement

The first NGO was the Anti-Slavery Society followed by the Red Cross and Caritas, a movement that arose at the end of the 19th century. Most of the other NGO movements were founded after the two world wars and, hence, were primarily humanitarian in nature. For example, Save the Children was formed after World War I, and CARE was formed after World War II (Hall-Jones, 2006). The decolonization of Africa in the 1960s led to a new way of thinking—one that aimed at causes of poverty rather than its consequences. The armed conflicts of the 1970s and 1980s (Vietnam, Angola, Palestine) led the European NGOs to take on the task of mediators for informal diplomacy. Their support for locals had an impact on the demise of the apartheid regime in South Africa and the dictatorships of Ferdinand Marcos in the Philippines and Augusto Pinochet in Chile. In addition, in the mid-1980s, the World Bank realized that NGOs were more effective and less corrupt than the typical government channels. The food crisis in Ethiopia in 1984 spurred a new market for "humanitarian aid" (Berthoud, 2001).

In the history of the NGO movement's growth, there have been several milestones. One of the first milestones was the role of the solidarity movement in the political transformation in Poland in the 1980s. The next was the impact of environmental activists on the 1992 Earth Summit in Rio de Janeiro. Another milestone was the Fifty Years Is Enough campaign in 1994. This was organized by the South Council and was aimed at the World Bank and International Monetary Fund (IMF) on the belief that these two institutions had been promoting and financing unsustainable development overseas that created poverty and destroyed the environment. The most recent

milestone was the organization of the labor, anti-globalization, and environmental groups that protested and disturbed the Seattle World Trade Organization (WTO) meeting in 1999 (McGann & Johnstone, 2006).

## **Funding**

The numbers of NGO organizations have grown dramatically, and NGOs have become a powerful player in global politics, facilitated in part by the increasing funding by public and private grants (McGann & Johnstone, 2006). This funding comes in from all kind of sources and is redirected in every conceivable direction. The world's biggest NGO is the Bill & Melinda Gates Foundation with an endowment of \$28.8 billion. The 160 international nongovernmental organizations (INGOs) associated with Inter*Action* have combined annual revenues of \$2.3 billion (Aall, 2000).

There are some NGOs that are very sophisticated at wooing the media while other unknown NGOs work tirelessly at the grassroots level. Some NGOs are membership-based, such as Amnesty International, that refuse to accept money from political parties, agencies, or governments whereas other NGOs are profit-making organizations focused on lobbying for profit-driven interests (Hall-Jones, 2006)

One trend is that NGOs are becoming dependent on governments for funding and service contracts. For example, 70% of CARE International's budget (\$420 million) came from government contributions in 2001, 25% of Oxfam's income came from EU and British government in 1998, and 46% of Médecins Sans Frontières (Doctors Without Borders) income came from government sources. Similarly, World Vision collected goods worth \$55 million from the U.S. government (Hall-Jones, 2006).

## Numbers and Budgets

INGOs rose in number from 6,000 in 1990 to 26,000 in 1996 ("The Non-Governmental Order," 1999). At present, there are 1.5 million nonprofit organizations in the United States and more than 1 million NGOs in India. Along with the growth in the number of NGOs, the memberships have also been expanding at steady rate ("The Non-Governmental Order," 1999).

Some of the biggest NGOs in terms of size and financial strength are to be found in the humanitarian realm. For example, Oxfam, World Vision, CARE, and Save the Children are all strong brands that belong to extremely large organizations with strong financial power. The biggest NGO—World Vision—had an annual budget of \$2.1 billion for 2006 (Karajkov, 2007).

Some of the other NGOs can boast of similar financial resources. Over 70% of the relief funding goes to the biggest NGOs. The biggest eight are comprised of the following organizations (Karajkov, 2007):

- 1. World Vision, \$2.1 billion (2006)
- 2. Oxfam, \$528 million (2004–2005)
- 3. CARE, \$624 million (2005)
- 4. Save the Children, \$863 million (2006)
- 5. Catholic Relief Services, \$694 million (2005)
- 6. Doctors Without Borders, \$568 million (2004)
- 7. International Rescue Committee, \$203 million (2005)
- 8. Mercy Corps, \$185 million (2005)

#### Growth in Power

The real story is how these organizations have networked and impacted world politics.

Global politics have gone through a drastic shift resulting from the growth of nongovernmental agencies. NGOs or CSOs have moved from being in the background to having a presence in the midst of world politics and, as a result, are exerting their influence and power in policy making at global scale. Some organizations such as Amnesty International and Greenpeace have effectively become NGO brands and have helped make NGO a household word. At the 1992 Earth Summit in Rio, there was a large NGO presence. While 1,400 NGO members were involved in the official proceedings, another 17,000 NGO members staged an alternative forum to the meeting. Encouraged by their success, a larger group gathered in Beijing for the Fourth World Conference on Women (McGann & Johnstone, 2006).

How have NGOs gained this global attention? There are various strategies that have been employed. For example, some NGOs organize large-scale protests, capture international headlines, and gain notoriety. The two NGOs that were successful in organizing large-scale action around specific themes were Amnesty International, which focuses on human rights issues, and Greenpeace, which focuses on ecological issues (Berthoud, 2001). There are other NGOs that have organized meetings to challenge the legitimacy of the WTO, the G8, the World Bank, and the IMF. The effectiveness of these NGOs' efforts took the governments and other global multilateral institutions by surprise. In response, these efforts forced the governments to figure out ways to involve NGOs in their decision making. Now that their place in world politics is firmly established, the majority of NGOs have moved from street protests to a policy making role in the boardrooms of the United Nations, WTO, World Bank, and the IMF (McGann & Johnstone, 2006).

What are the factors that have led to the unprecedented growth of NGOs? Research by McGann and Johnstone (2006) have isolated six interrelated forces as follows:

- 1. *Democratization and the civil society ideal:* The emergence of civil society and the addition of more open societies have both led to an environment that was favorable to the proliferation of NGOs.
- Growing demand for information, analysis, and action: The general
  public is bombarded with unsystematic and unreliable information.
  NGOs can collect data to make decisions, a role that is invaluable
  in developing countries where such information might not readily
  exist.
- 3. Growth of state, nonstate, and interstate actors: After World War II, there was a global trend toward increased democratization and decentralization that led to an increase in the number of nations or states after World War II. In addition, numerous intergovernmental organizations (United Nations, WTO, World Bank) were created and were granted certain powers and functions. This led to an unprecedented growth in the number of governmental organizations, NGOs, and nation–states.
- 4. *Improved communications technologies:* The growth of the Internet has led to inexpensive, instant, and largely unregulated flow of information. In addition, the nature of the information age makes it very difficult to restrict the inflow of information from the perspective of authoritarian governments.
- 5. Globalization of NGO funding: The issue of funding is important since many organizations work with small budgets and staffs. In many nations such as in Africa, Asia, and Latin America, there are no tax incentives to fund NGOs. Hence, most of the funding flows from developed countries to developing or transitional countries. However, foreign funding raises questions about the credibility of an organization. Furthermore, the issues of funding, transparency, and accountability become more complicated when NGOs cross national borders.
- 6. Paralysis and poor performance of the public sector: There has been an erosion of confidence in the government leaders and institutions. The never-ending scandals involving public officials combined with poor performance of policy makers have led citizens to question the legitimacy of governments. When the institutions are considered ineffective and the nation–state is distrusted, the NGOs operating on a local, grassroots level have emerged so that these deficiencies can be addressed.

# **Role of Nongovernmental Organizations**

Given this unprecedented growth in the numbers and financial power of NGOs, how has the role changed or matured? What we see is that NGOs can have a huge impact. These NGOs are unfettered, not answerable to specific agendas, and, in many instances, can act independently.

Even though NGOs are highly diverse organizations, the one common goal is that they are not focused on short-term targets, and, hence, they devote themselves to long-term issues like climate change, malaria prevention, or human rights. In addition, public surveys state that NGOs often have public trust, which makes them a useful proxy for societal concerns (Hall-Jones, 2006).

Next, we will discuss four important roles of NGOs. These roles are (1) social development, (2) sustainable community development, (3) sustainable development, and (4) sustainable consumption.

## Social Development

NGOs play an important role in **global social development**—work that has helped facilitate achievements in human development as measured by the UN Human Development Index (HDI) (n.d.).

One of the major strengths of NGOs is their ability to maintain institutional independence and political neutrality. Even though NGOs need to collaborate with governments in numerous instances, failure to maintain neutrality and autonomy may severely compromise the NGOs' legitimacy. Unfortunately, if a government insists upon political allegiance, the NGOs encounter the dilemma of either violating the neutrality position or failing to provide needed services to the population. Indeed, some NGOs have been asked to leave in troubled countries due to political reasons (Asamoah, 2003).

The major advantages that NGOs bring to this role include "flexibility, ability to innovate, grass-roots orientation, humanitarian versus commercial goal orientation, non-profit status, dedication and commitment, and recruitment philosophy" (Asamoah, 2003). The drawbacks in working with NGOs are similar to the advantages that were previously listed. In addition, some other disadvantages include "over-zealousness, restricted local participation, inadequate feasibility studies, conflicts or misunderstandings with host partner, inflexibility in recruitment and procedures, turf wars, inadequately trained personnel, lack of funding to complete projects, lack of transparency, inability to replicate results, and cultural insensitivity" (Asamoah, 2003).

## Sustainable Community Development

NGOs have shown leadership in promoting sustainable community development. Due to their particular ideology and nature, NGOs are good at

reaching out to the poor and remote communities and mobilizing these populations. They can also empower these populations to regain control of their lives and can work with and strengthen local organizations. In addition, such NGOs can carry out projects more efficiently and at lower costs than government agencies and, most importantly, promote sustainable development (Nikkhah & Redzuan, 2010).

The five dimensions of sustainable community development are as follows:

- 1. Increasing local economic diversity
- 2. Self reliance: development of local markets, local production, local processing, greater co-operation among local economic entities
- Reduction in the use of energy combined with recycling and management of waste products
- Protection and enhancement of biological diversity and stewardship of natural resources
- 5. Commitment of sustainable communities to social justice. (Bridger & Luloff, 1999)

Since NGOs are professionally staffed organizations aimed at reduction of human suffering and to the development of poor countries (Streeten, 1997), they have a significant role to play in supporting women, men, and households. The roles for such NGOs include "counseling and support service, awareness raising and advocacy, legal aid and microfinance" (Desai, 2005). The long-term aim for these NGOs is to assist in sustainable community development through activities such as capacity building and self-reliance (Langran, 2002). This can be done by funding projects, contributing to awareness, and promoting the self-organization of various groups (Baccaro, 2001).

A case study in Vietnam illustrates that NGOs play an important role in promoting sustainable community development (Hibbard & Tang, 2004). Usually this is accomplished by providing three basic functions: (1) service delivery (relief, welfare), (2) education, and (3) public policy advocacy (Stromquist, 2002). The idea is that NGOs can promote sustainable community development via three functions: (1) microfinance, (2) capacity building, and (3) self-reliance. NGOs ought to develop local products and local markets; develop social, capital, and human resources; encourage and motivate people to participate in activities; and act as network liaisons between community and systems. In this manner, the long-run goal of sustainable community development would be achieved (Nikkhah & Redzuan, 2010).

## Sustainable Development

NGOs have played a significant role in promoting sustainable development at the international level. NGOs are going beyond their primary focus on governments and starting to address large corporations. In this vein, NGOs have focused attention on the social and environmental impacts of business activity, helped in part by advances in information and communications technology. The brands of multinational corporations have also been vulnerable to pressure from activists and from NGOs on the corporation's labor, environmental, or human rights record. As the downstream customers are targeted, even the supply chain partners and suppliers are feeling the pressure (Hall-Jones, 2006).

In response to such concerns, many corporations are embracing a stake-holder approach that looks at the impact of business activity on customers, employees, communities, and other interested groups. There are numerous visible manifestations of this shift. The primary one has been an increased attention to social and environmental affairs. Many corporations are taking responsibility for their actions and are starting to report on the impact of their activities. A secondary shift is more heartening: Many companies have designed management structures that integrate sustainable development concerns (Hall-Jones, 2006).

NGOs can take most of the credit for creating these trends. The question remains as to how the business world should react to NGOs in the future. Should companies gear themselves in preparation of attacks from hostile critics? Should companies engage NGOs to become helpful partners? Depending upon their philosophy, not all NGOs are willing to collaborate with the private sector. Some of NGOs observe at a distance, and monitor, publicize, and criticize cases where companies fail to consider its impacts upon the community. However, other NGOs are willing to allocate some of their resources to working along with business in order to further corporate social responsibility (CSR) (Hall-Jones, 2006).

Agenda 21 of the United Nations has a chapter dedicated to the role of NGOs in partnering for sustainable development. Please refer to the appendix for the full text of this chapter.

## Sustainable Consumption

NGOs can also play an important role as partners to business/industry in promoting sustainable consumption. Some of the instances where this partnership has been successful is in categories such as product development, sustainable housing, labeling, World Wildlife Fund (WWF), green purchasing, marine stewardship, and so on. The basic premise is, can NGOs influence behavioral change? Specifically, there are two questions that need to be asked: (1) How are NGOs educating households to change their consumption behavior, and (2) how can NGOs be potential partners to businesses in promoting sustainable consumption (Kong, Saltzmann, Steger, & Ionescu-Somers, 2002)?

A range of projects shows that NGOs are engaging businesses to promote sustainable consumption. Some of the interesting approaches are as follows:

### Using Strategic Means to Point Out Problems

NGOs are encouraging households to exercise their power as shareholders. In case shareholder power is substantial, this can raise public awareness and change business policies. For example, Friends of the Earth's (FoE) Green Paycheck Campaign tells individuals how to use their shareholder power and screen their investments so that "money becomes a tool for change" (Kong et al., 2002).

#### Assessing Environmental Impacts of Products

NGOs rank products and services based on their environmental performance and impacts. The idea is that consumers can then pick and choose what products or brands they would purchase. For example, many consumer organizations have adopted a commitment to sustainability in their mission statements, such as in Austria, Germany, Sweden, Norway, and the Netherlands, and their assessment of products reaches consumers via magazines, websites, and other publications (Kong et al., 2002).

#### Greening the Supply of Products and Services

NGOs are developing or designing products that will minimize the environmental impacts of consumption. The consumer is simply offered an alternative of more sustainable consumption, and this choice is deemed empowering. For example, the WWF is engaging the retail sector to offer more sustainable food products. It also cooperates with the catering sector to design WWF Weeks for the menu and one permanent WWF dish. This campaign has been successful in increasing demand for organic products in Switzerland (Kong et al., 2002).

#### Focusing on Market Forces

Creating a green demand that will drive changes in supply, NGOs are providing information through labels that would empower consumers to make informed choices. For example, WWF has worked with the industry to design labeling schemes to help in the launch of independent certification bodies. The Forest Stewardship Council (FSC) was created in 1993 to protect the world's forest by a coalition of NGOs, businesses, and government entities. Unilever and WWF started the Marine Stewardship Council (MSC) to establish a certification scheme for sustainable fishing (Kong et al., 2002).

#### Forming Extensive Networks of Different Stakeholders

NGOs enter into collaborations with other NGOs and businesses to high-light issues and jointly look for solutions. For example, the Green Purchasing Network (GPN) promotes green purchasing among consumers, businesses, and other governmental organizations in Japan. It consists of 2,150 members including Sony, Fuji, Toyota, Honda, Canon, and Mitsubishi among others (Kong et al., 2002).

## **Business Partnerships**

In the past, corporate philanthropy was the main driver for business–NGO collaboration. The new wave of collaboration is different. The present trend is toward strategic partnerships aimed to address internal operational issues and the external impacts of corporate activity. Within the partnerships, NGOs and trade unions are involved in decisions that impact core business practices. As a result, CSR has evolved from what companies do with their profits to looking at how companies make those profits (Bendell, 2010).

One notable trend has been that of development NGOs promoting sustainable development among other companies. As an example, the British NGO called the Fairtrade Foundation initiated a pilot project to assist companies in developing codes of practice to guide relationships with their suppliers. Another initiative, launched in 1998, contained a broader mandate and came with UK government backing. The Ethical Trading Initiative (ETI) is a network of companies, NGOs, and trade union organizations working together in identifying and promoting good labor practices, including monitoring and independent verification. Some of the members include supermarket chains J. Sainsbury and Tesco, garment industry players Levi Strauss and the Pentland Group, and NGOs Oxfam and Save the Children (Bendell, 2010).

NGOs are helping in the establishment of certification systems that would help companies to monitor, measure, and communicate their social and environmental best practices. As an example, the WWF, an environmental NGO, has helped in the FSC accreditation, certification, and labeling scheme that endorses products from properly managed forests. Rather than waiting for time-consuming regulatory agreements, the NGO spearheaded the creation of a new organization for moving the industry toward sustainability (Bendell, 2010).

#### Caveats

Not all NGO-business collaborations are always fruitful. As an example, challenges arose in the creation of a certification scheme for banana

plantations. In the case of Chiquita's partnership with the Rainforest Alliance, the scheme started with the NGO certifying bananas, but over time, this certification grew to coffee and other fruits. The critics argued that this was a case of greenwashing since the partnership did not tackle the most important issues in banana production (Bendell, 2007).

What can business gain from forging a relationship with an NGO? There are four reasons for this relationship:

#### Credibility

There is evidence that company-generated social and environmental reports suffer from a credibility gap. The United Nations Environment Programme (UNEP) states that an active dialogue and stakeholder partnership is needed.

## Marketing

There has been an increased level of interest in the environmental policies when companies work with NGOs.

#### Expertise and Innovation

NGOs have expertise in sustainable development issues. For example, retail outlets worked with WWF to come up with the forest stewardship certification.

#### **Networks**

Companies can work with NGO networks to tackle sustainability issues in countries where their suppliers are located. Also, international NGO networks can help suppliers gain access to socially and environmentally progressive markets (Bendell, 2010).

This partnership between opposites can be attractive. There are tangible differences between NGOs and businesses, in resources and organization structures, that make NGOs attractive partners for those companies that are seeking to move toward sustainability. What is important to note is that these differences, such as the capacity of NGOs for independent advice and action, ought not be compromised due to any kind of partnership. The relationship of partnerships, by itself, is a very valuable element in bringing about change. Since NGOs bring a different perspective to the boardroom, this partnering can be an attractive proposition (Bendell, 2010).

There have been numerous success stories that pertain to this partnership. For example, the WWF Climate Savers Program discusses how some of the companies are planning to cut their carbon dioxide emissions. Refer to the

WWF website for more details on these partnerships: www.worldwildlife.org/what/globalmarkets/Climate%20Change/climatesavers2.html.

# **Environmental Nongovernmental Organizations**

ENGOs are the NGOs that work directly for the preservation of the environment. There is a linkage between environmental protection and democracy in that democracy enhances the protection of the environment (Holden, 2002). Indeed, Principle 10 of the Rio Declaration states, "Environmental issues are best handled with the participation of all concerned citizens, at the relevant level" (United Nations Conference on Environment and Development [UNCED], 1992). This viewpoint is further reiterated by the Johannesburg Declaration that also restates the need for "broad-based participation in policy formulation, decision-making and implementation at all levels" as well as the "need [for] more effective, democratic and accountable international and multilateral institutions" (United Nations, 2002, Principles 26, 31).

## Role of Environmental Nongovernmental Organizations

The ENGOs provide for "popular participation and influence" in environmental politics (Holden, 2002, p. 139). This influence can be noted by the following two examples: (1) Greenpeace has 2.8 million supporters worldwide (Greenpeace, 2003) and FoE has an estimated 1 million supporters and 66 member groups worldwide with 5,000 local activist groups (FoE International, 2002, p. 3). In the UK, there are about 4.5 million people that belong to some sort of ENGO (Connelly & Smith, 2003, p. 85).

According to the World Commission on Environment and Development (WCED), ENGOs play "an indispensable role... in identifying risks, in assessing environmental impacts and designing and implementing measures to deal with them, and in maintaining the high degree of public and political interest required as a basis for action" (WCED, 1987, p. 326).

ENGOs have become key players in environmental politics at all levels from local to global. As an example, FoE can play an important role from local planning disputes to global environmental conferences (Pricen & Finger, 1994, pp. 4–6). Hence, ENGOs are vital democratic entities for the promotion of environmental sustainability.

However, ENGOs have also been questioned or criticized on two fronts. The first criticism is on grounds of efficacy; that is to say that ENGOs have insufficient influence to promote environmental sustainability. The second criticism contends that ENGOs are not always democratic institutions. For example, Greenpeace is a protest organization that aims to shape the views of the own members rather than represent these views (Bell, 2003).

## The Split: From Two Groups to Five

The environmental movement seems to have split into two groups—one that partners with business and the other that does not. Christine McDonald, former media manager of Conservation International (CI), discussed the practice of ENGOs that accept corporate industrial donations without holding them accountable. She further stated that this relationship between ENGOs and corporations has led to the system of co-optation, whereby the result is greenwashing (McDonald, 2008).

There is an ideological distinction between the two camps of environmentalists: the dark greens and the bright greens. NGOs such as Greenpeace and FoE are dark greens in that they call for radical social change and confront the corporations. The bright greens, on the other hand, such as CI and the Environmental Defense Fund (EDF) work within the system, with the partnership of corporations, to solve these environmental problems (Hoffman, 2009).

Research suggests that this gap between purity and pragmatism is getting wider. However, both the camps need to work together since the ability of moderate ENGOs is enhanced by the presence of the radical ENGOs (Conner & Epstein, 2007).

Andrew Hoffman used social networking tools and came up with five different types of ENGOs: (1) isolates, (2) mediators, (3) bridges, (4) independents, and (5) captives. Refer to the Hoffman (2009) for a complete listing of the five categories of ENGOs.

#### **Isolates**

The ENGOs in this group refuse to partner with corporations. They form an ideological core that does not concern itself with the corporate sector's issues. Examples are Greenpeace, The Wildlife Society, FoE, and others (Hoffman, 2009).

#### **Mediators**

The ENGOs in this group are central to the corporate network and maintain sectoral links. These ENGOs are pragmatic and are able to influence change due to their corporate ties. For example, the only five ENGOs that are part of the U.S. Climate Action partnership are in this group. These are (1) EDF, (2) The Nature Conservancy, (3) Natural Resources Defense Council (NRDC), (4) World Resources Institute, and (5) WWF (Hoffman, 2009).

#### **Bridges**

The first of the hybrid groups among the previous two extremes maintains a narrow spectrum of sectoral links. These ENGOs channel between a specific

set of corporate sector issues and the rest of the group. For example, the Center for Clean Air Policy is a bridge focused on solving climate, air quality, and energy problems, yet it maintains ties with oil and gas sectors (Hoffman, 2009).

#### **Independents**

The second of the hybrid group is located on the periphery of the corporate network but maintains a wide variety of links, which gives them more autonomy than others. These ENGOs are good at generating innovative solutions that involve collaboration among various sectors. An example is the River Network, which helps freshwater protection organizations (Hoffman, 2009).

#### **Captives**

The last of the hybrid group is also on the periphery of the corporate network, and their sectoral links are very limited, mostly tied to marine, firearms, and beer and alcohol. These ENGOs have greater credibility with the sectors they engage with, but this role makes them vulnerable to a small subset of biased influence of one set of corporate interests (Hoffman, 2009).

## **Blessed Unrest**

Paul Hawken (2007) described **blessed unrest** as a movement that is made of citizens and organizations that are united by their shared beliefs. This movement includes NGOs, nonprofit organizations, and people who call themselves environmental activists and others who protest labor injustices or support local farming. Hawken (2007) said, "Life is the most fundamental human right and all of the movements within the movement are dedicated to creating the conditions for life, conditions that include livelihood, food, security, peace, a stable environment and freedom from external tyranny" (pp. 67–68).

The book *Blessed Unrest: How the Largest Social Movement in History is Restoring Grace, Justice and Beauty to the World* by Paul Hawken contains an appendix that lists concerns from climate change to child labor and green banking to global governance. In Hawken's estimates, this movement is comprised of 2 million organizations. More importantly, *Blessed Unrest* makes a link between the environment to issues of social justice and culture. Hawken (2007) said, "Sustainability, ensuring the future of life on earth, is an infinite game, the endless expression of generosity on behalf of all" (p. 187).

## \_ Conclusion

There are countless NGOs worldwide, and these organizations have played a significant role in social development, sustainable community development, and promoting sustainable consumption. Businesses that wish to reach out to all their stakeholders can benefit from a productive relationship with NGOs. In addition, there is a category of NGOs called ENGOs that focus on environmental concerns. There are a large number of ENGOs ranging from the Audubon Society to WWF.

Lastly, two of the principles of Agenda 21 are relevant to sustainability. These principles are as follows:

- the right to development must be fulfilled so as to equitably meet developmental and environmental needs of the present and future generations
- 2. in order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it. (Agenda 21, n.d.-a)

## **KEY WORDS**

Agenda 21

Blessed unrest

Environmental nongovernmental organizations (ENGOs)

Global social development

International Council for Local Environmental Initiatives (ICLEI)— Local Governments for Sustainability International nongovernmental organizations (INGOs)

Nongovernmental organizations (NGOs)

Sustainable community development

Sustainable consumption

Sustainable development

## **DISCUSSION QUESTIONS**

- 1. What is the role of government in advancing sustainability? Do you think that governments can serve as leaders in this role?
- 2. As a web exercise, explore your websites to find information that can be used for sustainability within business and personal use. Is there any information related to sustainability initiatives?
- 3. When were NGOs created? What were some of the historical reasons that led to this creation?
- 4. How do NGOs attain their funding? Do some of these sources of funding pose a conflict of interest?
- 5. Which NGO is the richest in the world? Has this ranking changed in recent years? What are eight biggest NGOs discussed in the chapter?

- 6. What are the six factors that contributed to the growth of NGOs?
- 7. How can NGOs promote the following three areas: (1) social development, (2) community development, and (3) sustainable consumption? Discuss these roles in detail.
- 8. Should businesses or corporations partner with NGOs? What are the advantages or disadvantages of this relationship?
- 9. What is an ENGO? What are the five types of ENGOs? Discuss the differences between these ENGOs.
- 10. Research any three NGOs mentioned in the chapter. Go to the official website of these NGOs, and discuss the role of each NGO in detail.
- 11. Can you think of any NGO and business partnership that has been particularly beneficial or disturbing?
- 12. What is the role of Agenda 21? Can you find a local chapter of Agenda 21 in your community?

#### **RECOMMENDED CASE STUDIES**

1. Transforming the Global Fishing Industry: The Marine Stewardship Council at Full Sail, Product Number IMD257-PDF-ENG, Harvard Business School Publishing.

Learning Objective: The MSC is an NGO headquartered in London and established by WWF and Unilever in 1997 to set up a certification and ecolabeling system for sustainable fishing. The case describes the MSC's initial and more recent challenges including the Tragedy of the Commons, a wide range of less willing stakeholders, and the complexity of certifying fisheries on sustainability criteria. It also outlines management decisions to meet at least some of the challenges: improved transparency and engagement with stakeholders, new governance structures, and certification methodologies.

2. PROTECTA—Promoting Civil Society in Serbia, Product Number HKS124-PDF-ENG, Harvard Business School Publishing.

Learning Objective: This case offers students an opportunity to recount the rise of the organization under increasingly trying personal, political, and professional circumstances—namely war and a repressive state. These circumstances call into question some potential ethical concerns regarding management in a hostile political environment. It offers an opportunity for students to make a decision and plot strategy for the organization's future in areas such as leadership transition, finances, and staffing.

#### **RECOMMENDED WEBSITES**

www.audubon.org/

www.bsr.org/

www.care.org/

www.conservation.org/

http://crs.org/

www.csrwire.com/

www.doctorswithoutborders.org/

www.epa.gov

www.foe.org/

www.future500.org/

www.greenpeace.org/

www.interaction.org/

www.kiva.org/

www.mercycorps.org/

www.msc.org/

www.oxfam.org/

www.savethechildren.org/

www.theirc.org/

www.un.org/esa/dsd/agenda21/res\_agenda21\_00.shtml

www.unep.org

www.worldvision.org/

www.wwf.org

# **Appendix**

 Table 9.1
 Sustainable Development Programs

| Country  | Sample of Sustainable Development Research Programs  |  |  |  |
|--|--|--|--|--|
| Austria (individual programs)  | Austrian Landscape Research; Austrian Program on Technology for Sustainable Development; PFEIL 05 Program for Research and Development in Agriculture, Forestry, Environment and Water Management.   |  |  |  |
| Belgium (umbrella program<br>and sub-programs)   | Scientific Support Plan for a Sustainable Development Policy 1 (Sustainable management of the North Sea, global change and sustainable development, Antarctica 4, sustainable mobility, norms for food products, Telsat 4, levers for a sustainable development policy and supporting actions); Scientific Support Plan for a Sustainable Development Policy 2 (Sustainable modes of production and consumption, global change, ecosystems and biodiversity, supporting actions and mixed actions); Scientific Support to an Integration of Notions of Quality and Security of the Production Environments, Processes and Goods in a Context of Sustainable Development. |  |  |  |
| Germany (umbrella program and sub-programs)  | Research on the Environment (Research on sustainable economic management, regional sustainability, research on global change, socioecological research)  |  |  |  |
| The Netherlands (umbrella program with structured and coordinated individual programs) | Economy, Ecology and Technology (EET); Dutch Initiative for<br>Sustainable Development (NIDO); Sustainable Technology<br>Development Project[2] HABIFORM (Expertise network –<br>multiple use of space)  |  |  |  |
| Sweden (individual programs)   | Urban and Regional Planning Infrasystems for Sustainable Cities; The Sustainable City; Economics for Sustainable Development; Sustainable Forestry in Southern Sweden; Sustainable Food Production; Sustainable Coastal Zone; Sustainable Management of the Mountain Region; Paths to Sustainable Development – Behavior, Organizations, Structures (Ways Ahead) Innovation Systems Supporting a Sustainable Growth  |  |  |  |
| UK (individual programs)   | Environmental Strategy Research Program Towards a Sustainable Urban Environment EPSRC Infrastructure and Environment Program Environment Agency Sustainable Development R&D Program Sustainable Development Commission Sustainable Technologies Initiative – LINK Program  |  |  |  |

Source: Hargroves & Smith (2005).

*Note:* The table shows the three main program types for organizing research for sustainable development: (1) umbrella programs, (2) subprograms, and (3) individual programs.

#### Table 9.2

List of Mediator Nongovernmental Soil and Water Conservation Society

Organizations (NGOs) Whitetails Unlimited CERES Wildlife Forever

Conservation International (CI)

Environmental Defense Fund (EDF)

National Audubon Society

Natural Resources

Defense Council (NRDC)

List of Captive NGOs

African Wildlife Foundation

Bat Conservation International

Defenders of Wildlife

Defense Council (NRDC)

The Nature Conservancy

Wildlife Conservation Society

Detenders of Wildlife

Delta Waterfowl Foundation

Dian Fossey Gorilla Fund

Wildlife Habitat Council Ducks Unlimited

World Resources Institute Environmental and Energy Study Institute

World Wildlife Fund (WWF)

Fauna & Flora International
Fish America Foundation

List of Bridge NGOs International Wildlife Coalition—USA
Center for Clean Air Policy Izaak Walton League of America

Rainforest Alliance Jane Goodall Institute
Scenic Hudson Land Trust Alliance

Student Conservation Association National Council for Air and Stream

Improvement

List of Independent NGOs National Wildlife Federation
American Forests Quail Unlimited RARE Sierra Club

American Rivers

The Wilderness Society
Pheasants Forever

Trout Unlimited
Rainforest Action Network

Wildlife Trust

Rainforest Action Network Wildlife Trust
River Network Worldwatch Institute

Source: Data from Hoffman (2009).

#### Appendix A: Agenda 21 Chapter 27

Strengthening the Role of Non-Governmental Organizations: Partners for Sustainable Development

#### Programme Area

#### Basis for action

1. Non-governmental organizations play a vital role in the shaping and implementation of participatory democracy. Their credibility lies in the responsible and constructive role they play in society. Formal and informal organizations, as well as grass-roots

- movements, should be recognized as partners in the implementation of Agenda 21. The nature of the independent role played by non-governmental organizations within a society calls for real participation; therefore, independence is a major attribute of non-governmental organizations and is the precondition of real participation.
- 2. One of the major challenges facing the world community as it seeks to replace unsustainable development patterns with environmentally sound and sustainable development is the need to activate a sense of common purpose on behalf of all sectors of society. The chances of forging such a sense of purpose will depend on the willingness of all sectors to participate in genuine social partnership and dialogue, while recognizing the independent roles, responsibilities and special capacities of each.
- 3. Non-governmental organizations, including those non-profit organizations representing groups addressed in the present section of Agenda 21, possess well-established and diverse experience, expertise and capacity in fields which will be of particular importance to the implementation and review of environmentally sound and socially responsible sustainable development, as envisaged throughout Agenda 21. The community of non-governmental organizations, therefore, offers a global network that should be tapped, enabled and strengthened in support of efforts to achieve these common goals.
- 4. To ensure that the full potential contribution of non-governmental organizations is realized, the fullest possible communication and cooperation between international organizations, national and local governments and non-governmental organizations should be promoted in institutions mandated, and programmes designed to carry out Agenda 21. Non-governmental organizations will also need to foster cooperation and communication among themselves to reinforce their effectiveness as actors in the implementation of sustainable development.

#### **Objectives**

- 5. Society, Governments and international bodies should develop mechanisms to allow non-governmental organizations to play their partnership role responsibly and effectively in the process of environmentally sound and sustainable development.
- 6. With a view to strengthening the role of non-governmental organizations as social partners, the United Nations system and Governments should initiate a process, in consultation with non-governmental organizations, to review formal procedures and mechanisms for the involvement of these organizations at all levels from policy-making and decision-making to implementation.
- 7. By 1995, a mutually productive dialogue should be established at the national level between all Governments and non-governmental organizations and their self-organized networks to recognize and strengthen their respective roles in implementing environmentally sound and sustainable development.
- 8. Governments and international bodies should promote and allow the participation of non-governmental organizations in the conception, establishment and evaluation of official mechanisms and formal procedures designed to review the implementation of Agenda 21 at all levels.

#### Activities

- 9. The United Nations system, including international finance and development agencies, and all intergovernmental organizations and forums should, in consultation with non-governmental organizations, take measures to:
  - a. Review and report on ways of enhancing existing procedures and mechanisms by which non-governmental organizations contribute to policy design, decisionmaking, implementation and evaluation at the individual agency level, in interagency discussions and in United Nations conferences;
  - b. On the basis of subparagraph (a) above, enhance existing or, where they do not exist, establish, mechanisms and procedures within each agency to draw on the expertise and views of non-governmental organizations in policy and programme design, implementation and evaluation;
  - Review levels of financial and administrative support for non-governmental organizations and the extent and effectiveness of their involvement in project and programme implementation, with a view to augmenting their role as social partners;
  - d. Design open and effective means of achieving the participation of nongovernmental organizations in the processes established to review and evaluate the implementation of Agenda 21 at all levels;
  - e. Promote and allow non-governmental organizations and their self-organized networks to contribute to the review and evaluation of policies and programmes designed to implement Agenda 21, including support for developing country non-governmental organizations and their self-organized networks;
  - f. Take into account the findings of non-governmental review systems and evaluation processes in relevant reports of the Secretary-General to the General Assembly, and of all pertinent United Nations organizations and other intergovernmental organizations and forums concerning implementation of Agenda 21, in accordance with the review process for Agenda 21;
  - g. Provide access for non-governmental organizations to accurate and timely data and information to promote the effectiveness of their programmes and activities and their roles in support of sustainable development.

#### 10. Governments should take measures to:

- a. Establish or enhance an existing dialogue with non-governmental organizations and their self-organized networks representing various sectors, which could serve to: (i) consider the rights and responsibilities of these organizations; (ii) efficiently channel integrated non-governmental inputs to the governmental policy development process; and (iii) facilitate non-governmental coordination in implementing national policies at the programme level;
- b. Encourage and enable partnership and dialogue between local non-governmental organizations and local authorities in activities aimed at sustainable development;

- c. Involve non-governmental organizations in national mechanisms or procedures established to carry out Agenda 21, making the best use of their particular capacities, especially in the fields of education, poverty alleviation and environmental protection and rehabilitation;
- d. Take into account the findings of non-governmental monitoring and review mechanisms in the design and evaluation of policies concerning the implementation of Agenda 21 at all levels;
- e. Review government education systems to identify ways to include and expand the involvement of non-governmental organizations in the field of formal and informal education and of public awareness;
- f. Make available and accessible to non-governmental organizations the data and information necessary for their effective contribution to research and to the design, implementation and evaluation of programmes.

#### Means of implementation

- (a) Financing and cost evaluation
- 11. Depending on the outcome of review processes and the evolution of views as to how best to build partnership and dialogue between official organizations and groups of non-governmental organizations, relatively limited but unpredictable, costs will be involved at the international and national levels in enhancing consultative procedures and mechanisms. Non-governmental organizations will also require additional funding in support of their establishment of, improvement of or contributions to Agenda 21 monitoring systems. These costs will be significant but cannot be reliably estimated on the basis of existing information.

#### (b) Capacity-building

- 12. The organizations of the United Nations system and other intergovernmental organizations and forums, bilateral programmes and the private sector, as appropriate, will need to provide increased financial and administrative support for non-governmental organizations and their self-organized networks, in particular those based in developing countries, that contribute to the monitoring and evaluation of Agenda 21 programmes, and provide training for non-governmental organizations (and assist them to develop their own training programmes) at the international and regional levels to enhance their partnership role in programme design and implementation.
- 13. Governments will need to promulgate or strengthen, subject to country-specific conditions, any legislative measures necessary to enable the establishment by non-governmental organizations of consultative groups, and to ensure the right of non-governmental organizations to protect the public interest through legal action.

Source: UN Agenda 21, Sec III, chapter 27 accessed on [DATE/YEAR] at http://www.un.org/esa/dsd/agenda21/res\_agenda21\_27.shtml © United Nations Reproduced with permission.