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## Abstracts

1. Martinelli , A. and A. Midttun. “[Globalization and governance for sustainability](#)”

**Purpose** – This paper seeks to take stock of core arguments in some of the most central governance traditions and to discuss their capacity to deliver solutions. It starts with an appraisal of the strengths and weaknesses of the ideas of market-, state- and civil-society-led governance, but also factors in the effect of media and communication as governance arenas in their own right. Then it aims to review core arguments put forward in broader approaches to governance where multiple governance mechanisms are combined.

**Design/methodology/approach** – This is a conceptual paper that reviews central approaches in the governance literature and their ability to further sustainable development. The review is taken as a basis for tentative formulations of new supplementary governance approaches.

**Findings** – Out of the critical analysis the paper distils is an approach to governance that combines three basic elements: First, a re-interpretation of Montesquieu's principle of checks and balances – applied not only to state institutions, but also to the interplay between the state, markets and civil society. Second, an argument for polyarchic, multilevel governance, where flexible institutional frameworks, at various levels of aggregation, allow actors to jointly engage in developing governance. Third, it argues that open communication may constitute an important governance element. It ends by recognising that global governance, going forward, will include a mix of parallel governance models, in some ways competing for hegemony, but supporting one another in other ways.

**Originality/value** – The originality/value of the paper lies in its critical assessment of central current governance theories and in its launch of new supplementary governance approaches.

**Keywords:** Economic sustainability, Governance

**Article Type:** Conceptual paper

**References:** 45 references

**Article URL:** [www.emeraldinsight.com/10.1108/14720701011021076](http://www.emeraldinsight.com/10.1108/14720701011021076)

2. Joly, C. "[Why responsible investment falls short of its purpose and what to do about it](#)"

**Purpose** – The purpose of this paper is to demonstrate failures of self-regulation among RI actors following the current economic crisis. It also seeks to propose specific regulations for the investment business. The paper questions whether financial capitalism can support sustainability.

**Design/methodology/approach** – The paper summarizes the crisis; defines what is at stake; critically reviews the various forms of responsible investment; describes conflicts of interest in CSR and RI; and suggests regulatory measures to correct systemic problems. It tests RI/SRI/ESG against the reality of portfolio construction, and identifies the implications of their shortcomings.

**Findings** – The paper finds that RI/SRI/ESG best in class portfolios are challenged for various reasons; engagement activities are challenged due to the structural inadequacies in the industry; SRI fund managers themselves do not use SR; CSR does not address strategic core business matters; conflicts of interest on the way plague the investment supply chain; and private equity may enable progress in RI.

**Research limitations/implications** – More research is required on the theory of RI and current systemic constraints.

**Practical implications** – Specific regulatory measures to counteract systemic failures are identified here.

**Originality/value** – The scope of the critique and findings is original. Value is the real experience of a working practitioner who is sympathetic to RI/SRI/ESG.

**Keywords:** Corporate governance, Finance, Regulation, Social responsibility

**Article Type:** Research paper

**References:** 22 references

**Article URL:** [www.emeraldinsight.com/10.1108/14720701011021085](http://www.emeraldinsight.com/10.1108/14720701011021085)

3. Sigurjonsson, T.O. "[The Icelandic Bank collapse: challenges to governance and risk management](https://www.emeraldinsight.com/10.1108/14720701011021094)"

**Purpose** – The purpose of this paper is to examine the extreme case of the Icelandic banking crisis in relation to critical governance issues at governmental, industry and civil society levels.

**Design/methodology/approach** – This is a case study of the Icelandic banking collapse in 2008.

**Findings** – The examination of governance failures within the Icelandic banking system reveals that government institutions need to find a balance between entrepreneurial growth, risk exposure and sustainable societal development. A euphoric attitude of laissez-faire, where risk issues and issues of balanced development are largely ignored, creates challenges for sustainable banking. The findings suggest that achieving the necessary balance requires stressing governance issues on three levels; at the government level; at the industry level; and at the civil society level.

**Practical implications** – The paper illustrates why some of the corporate governance challenges facing sustainable banking should be addressed at multiple levels. Government should strive for realistic information and evaluation of societal risks; government should implement adequate regulatory frameworks; the finance industry itself should have effective self-regulatory procedures and mechanisms; and, from a civil society point of view, the public at large should have realistic expectations and be adequately alerted as to the potential risks of governance failure.

**Originality/value** – The paper examines interactions between governance failures at different levels and has important implications for governance and policy makers, particularly those faced with re-structuring national financial industries.

**Keywords:** Governance, Iceland, Risk management

**Article Type:** Research paper

**References:** 32 references

**Article URL:** [www.emeraldinsight.com/10.1108/14720701011021094](https://www.emeraldinsight.com/10.1108/14720701011021094)

4. Balkau, F. and G. Sonnemann. "[Managing sustainability performance through the value-chain](#)"

**Purpose** – Environmental management has not kept pace with the challenges of globalization. Case studies show that life-cycle management (LCM) can be an important alternative approach in managing sustainability, performance of products and materials along the value-chain.

**Design/methodology/approach** – The paper analyzes case study models for LCM used in different circumstances. It compares the new forms of governance along the life-chain, and the coordination of environmental management tools already in widespread use. Strengths and weaknesses are discussed with respect to other CSR methods in current use. The role of life-cycle assessment (LCA) in prioritizing sustainability issues is highlighted.

**Findings** – Business focuses on supply-chain management to achieve its sustainability goals. Governments give emphasis to communication rather than legislation. Community and NGO pressure on the commodity resource sector has led to important multi-stakeholder life-cycle-management. These approaches are most effective in a cooperative framework.

**Practical implications** – The choice of the LCM model depends on the nature of the value-chain and the sector involved. Companies have made progress in managing longer portions of their value-chains. However, there is now a need to refine the management instruments used to implement LCM, as many of them were not intended to function at broad levels, for example, globally.

**Originality/value** – Much attention so far has been given to LCA techniques. The paper looks at management models that can transform LCA into effective action programmes for a higher level of sustainability.

**Keywords:** Environmental management, Value chain

**Article Type:** Research paper

**References:** 18 references

**Article URL:** [www.emeraldinsight.com/10.1108/14720701011021102](http://www.emeraldinsight.com/10.1108/14720701011021102)

5. Nikoloyuk, J., T. R. Burns and R. de Man “[The promise and limitations of partnered governance: the case of sustainable palm oil](#)”

**Purpose** – This paper sets out to report on a study of the Roundtable on Sustainable Palm Oil (RSPO) as an instance of “partnered governance” oriented to advance sustainable development in a supply chain. After briefly discussing the conceptualization of partnered governance, its social organizational features, and its drivers, the paper aims to outline the history and structure of RSPO and then to assess the effectiveness, efficiency and level of legitimation of this innovative governance structure. The paper points out several of the limitations as well as potentialities of partner governance arrangements such as that of RSPO.

**Design/methodology/approach** – The paper shows through a focused multi-method case study how the RSPO developed as consumer-oriented businesses partnered with civil society organizations and palm oil producers to address what was seen as a long-term threat to rain forests, on the one hand, and to financial interests, on the other.

**Findings** – In the case of deforestation caused by oil palm expansion, national government intervention was absent and international regulation could not be mobilized. While the RSPO's system of partnered governance may have many shortcomings, the paper stresses that there are few real alternatives that have been as successful in addressing this type of sustainability issue. A major structural problem with such partnerships for sustainability is that their emergence and development typically depend on powerful players.

**Originality/value** – The originality/value of the paper lies in its identification of several of the strengths and weaknesses of partnered governance based on a focused case study, and suggests ways in which partnered governance can be developed and optimized in addressing sustainability issues.

**Keywords:** Forests, Supply chain management, Timber

**Article Type:** Research paper

**References:** 16 references

**Article URL:** [www.emeraldinsight.com/10.1108/14720701011021111](http://www.emeraldinsight.com/10.1108/14720701011021111)

6. Román, M. "[Governing from the middle: the C40 Cities Leadership Group](#)"

**Purpose** – This study aims to analyze city networks as they face the challenges of global warming. It seeks to introduce the notion of “governance from the middle” as an alternative to traditional intergovernmental policy. This is developed by focusing on the particular experiences of the C40 Cities Leadership Group and discussing its prospects and risks.

**Design/methodology/approach** – CCI works with a number of commercial banks, institutional investors, international financial institutions and other capital providers to design financing programmes and source capital.

**Findings** – The C40 Group illustrates some fundamental traits of city networks with a hybrid governance structure, combining traditional public institutional structures with market-based arrangements, organizationally and qualitatively governing from the middle. Critical factors in this dynamic are the use of an external implementing body, providing new organizational opportunities for the network, and the prominence given to an integrated procurement process, which develops incentive structures for action and effectively connects actors at various levels of society. The latter emphasis on market-incentives as a template for action is an innovative governance feature but not the panacea many want. The complex nature of the governance arrangement itself, the structural asymmetries among its members, and the diversified set of issues the network intends to address are all factors that remain to be researched.

**Originality/value** – The study provides new perspectives on the conceptual discussions about governance by introducing the notion of “governance from the middle”. These allow us in turn to continue research about the role of market-arrangements in linking global and local ambitions. This could have a decisive policy impact on climate governance in general.

**Keywords:** Global warming, Governance, Procurement

**Article Type:** Research paper

**References:** 56 references

**Article URL:** [www.emeraldinsight.com/10.1108/14720701011021120](http://www.emeraldinsight.com/10.1108/14720701011021120)

7. Schmitter, P. C. [“Governance arrangements for sustainability: a regional perspective”](#)

**Purpose** – This paper seeks to focus on the preconditions for forging International strategies to deal with social and environmental sustainability. Taking the Brundtland Report and its implied strategy based on inter-governmental conferences and treaties at the global level as a point of departure, the paper suggests an alternative strategy which focuses on governance arrangements (GAs) rather than government agencies and at the regional rather than the global level. The paper argues that for these to function effectively, they must be perceived as legitimate by those affected by their decisions. The paper aims to argue that this will depend on their conformity with certain generic principles regulating the chartering, composition and decision making of such GAs. If these are successful in Europe, their norms may diffuse to other world regions.

**Design/methodology/approach** – This is a conceptual paper, which presents principles for international governance for sustainability based on current experiences with governance in the European Union.

**Findings** – The paper points out that, since the publication of the Brundtland Report, among the most significant political/institutional changes with regard to policies for environmental sustainability have been the expansion of the competences of the European Union (EU) and the emergence of a numerous and wide-ranging set of trans-national non-governmental organizations. The paper indicates how this new institutional terrain may be used to forge new governance strategies for sustainability.

**Originality/value** – The originality/value of the paper lies in its analysis of decision making in the EU as a point of departure for global governance for sustainability.

**Keywords:** Europe, European Union, Governance

**Article Type:** Research paper

**References:** 7 references

**Article URL:** [www.emeraldinsight.com/10.1108/14720701011021139](http://www.emeraldinsight.com/10.1108/14720701011021139)

8. Midttun, A. "[Montesquieu for the twenty-first century: factoring civil society and business into global governance](#)"

**Purpose** – This paper sets out to argue for rethinking governance through the prism of Montesquieu's model of checks and balances within state powers. It aims to explore the parallel between the eighteenth century concept of division of power and the current need to engage and balance the powers of the state, industry/markets and civil society in governance for global sustainability. It also takes Montesquieu's doctrine of balance of powers beyond static checks and balances into more dynamic innovation.

**Design/methodology/approach** – This is a conceptual paper that translates seventeenth and eighteenth century state theory into twenty-first century governance. It also explores how models from innovation may be applied to discuss dynamic aspects of governance.

**Findings** – Drawing on the product-cycle model, the paper shows how governance entrepreneurship may be explored and understood in innovation terms. The paper explores extractive industries' transparency initiative (EITI) as an illustration of governance innovation to address a gross governance and market failure in the extractive industries – the “resource curse”, particularly in developing countries. It shows how much of EITI's remarkable success in building institutional support is due to actors expanding from their traditional domains into new complementary roles. Each of the three powers – civil society, business, and politics – has exploited their comparative advantages in bringing the governance project forward.

**Originality/value** – Given the limitation of conventional governance models, the originality/value of the paper lie in its launch of new supplementary governance approaches and their application to the EITI case.

**Keywords:** Governance, Politics

**Article Type:** Research paper

**References:** 25 references

**Article URL:** [www.emeraldinsight.com/10.1108/14720701011021148](http://www.emeraldinsight.com/10.1108/14720701011021148)