1

Introduction: The Business of Global Environmental Governance

David L. Levy and Peter J. Newell

Business plays a key role in international environmental politics. Private firms are engaged, directly or indirectly, in the lion's share of the resource depletion, energy use, and hazardous emissions that generate environmental concerns. Corporate activity dominates every stage of the value chain, from research into genetically engineered food and seeds, to the disposal of household and industrial waste. At the same time, firms can also serve as powerful engines of change, who could potentially redirect their substantial financial, technological, and organizational resources toward addressing environmental concerns. The environmental impact of firms' activities makes them central players in societal responses to environmental issues. According to the Business Council for Sustainable Development's (BCSD) own figures, "Industry accounts for more than one third of energy consumed worldwide and uses more energy than any other end-user in industrialized and newly industrializing economies" (Schmidheiny 1992, 43).

In many ways, large firms are the "street-level bureaucrats" of environmental policy, Lipsky's (1980) term to describe the role of front-line employees in shaping policy through its implementation on the ground. The active cooperation of large multinational companies is therefore key to the implementation of environmental regulations and the amelioration of environmental problems. Industry appears to be increasingly aware of its role. The International Chamber of Commerce, an influential umbrella industry association, has forcefully asserted industry's significance in the case of climate change, though these words would apply equally well to many other environmental issues:

> Industry's involvement is a critical factor in the policy deliberations relating to climate change. It is industry that will meet the growing demands of consumers for goods and services. It is industry that develops and disseminates most of the world's technology. It is industry and the private financial community that marshal most of the financial resources that fund the world's economic growth. It is industry that develops, finances and manages most of the investments that enhance and protect the environment. It is industry, therefore, that will be called upon to implement and finance a substantial part of governments' climate change policies. (International Chamber of Commerce 1995)

This statement by the ICC acknowledges that the natural environment is closely intertwined with economic, financial, and industrial activity, and positions industry as the resourceful, benevolent provider of technological expertise and environmental goods and services—a solution rather than a threat to the environment. Where the scope and impact of private economic activity has traditionally been seen as the subject of regulation, it is now being invoked to justify industry's active agency in the development and enforcement of policy. Above all, industry is asserting its political role in the environmental policy realm.

This book proposes a political economy approach to understanding the role of business in international environmental governance. Despite increasing acknowledgement in the rapidly expanding literature on global environmental politics of the important role that industry has played in the negotiation and implementation of individual regime arrangements, we continue to lack both an understanding of the diverse ways in which firms contribute to the overall architecture of global environmental governance and a sophisticated comprehension of the reciprocal relationship between corporate strategy and international environmental regulation. The aim of this book, therefore, is to develop thinking about the ways in which business activity is both a response to, as well as constitutive of, environmental governance at the global level.

We use the term "environmental governance" to signify the broad range of political, economic, and social structures and processes that shape and constrain actors' behavior towards the environment. Environmental governance thus refers to the multiple channels through which human impacts on the natural environment are ordered and regulated. It implies rule creation, institution-building, and monitoring and enforcement. But it also implies a soft infrastructure of norms, expectations, and social understandings of acceptable behavior towards the environment, in processes that engage the participation of a broad range of stakeholders. We avoid the term "regime" here because, as explored later in this chapter, the concept of environmental regimes is already well developed in the International Relations literature and therefore carries with it a particular connotation of a formal international institution. From our perspective, the main limitation of the concept is that, while it increasingly recognizes the significance of private actors and informal, normative structures, it is still primarily concerned with official inter-state and supranational arrangements. Thus, regime theorists can talk about the success of establishing an international regime to control ozone-depleting substances, or the absence of an international regime to address tropical logging. In contrast, we use the term environmental governance to suggest a broader system of order and structure, one that is always present. In some cases, it might be a purely market-based form of governance, in which environmental impacts flow from private firms as they choose which products to develop, manufacture, and sell. In other cases, industry associations might promulgate their own sets of standards. Even when there is no direct governmental regulation of environmental impacts, patterns of research and production are structured and mediated by systems of property rights and market institutions, by norms and laws that regulate trade and investment, and by the strategic interaction of firms in competition for markets and resources within specific industry structures. One implication is that while international regimes always modify structures and processes of governance in particular ways, they do not necessarily "solve" environmental problems.

A focus on the political economy of environmental governance suggests that attention needs to be paid to the interactions between politics and economics. This demands, first and foremost, that we take seriously the role of the firm as a political actor. Business has been involved throughout the history of environmental policy, especially at the national and subnational level, though it has traditionally been perceived as a more passive actor. It is becoming more apparent, however, that firms are now key political players, engaging with and shaping global processes in direct and indirect ways. Individually, as well as through sectoral and issue-specific organizations, firms are working at national, regional, and international levels to influence policy on prominent environmental issues. As they gain experience, firms are evolving sophisticated strategies to ensure that their interests are represented, and to varying extents, accommodated. Of course, even large multinational corporations are not omnipotent, and are unable to dictate environmental policies. Nevertheless, the evidence in the cases in this book and elsewhere suggests that firms and industry associations do have substantial influence. In a few, perhaps overemphasized examples, such as DuPont in the case of ozone-depleting chemicals, and Exxon-Mobil in the case of greenhouse gases, a single company has been instrumental in shaping U.S. policy, with direct consequences for the direction of the Montreal and Kyoto protocols. More generally, governmental negotiating positions on international treaties tend to track the stances of major domestic industries active on each issue.

An examination of the firm as a political actor needs to extend beyond traditional activities such as lobbying and donations to election campaigns. In the negotiation of many international regimes, business has a formal voice in advisory panels and in the process of authoring and reviewing scientific reports. In the climate change case, for example, the contribution of business to the scientific evaluation process was significantly expanded in the Third Assessment Report of the Intergovernmental Panel on Climate Change. The broader view of environmental governance adopted here suggests that more market-oriented corporate activities can also be viewed as political. In the ozone case, the technological strategies of leading chemical companies drove their stances toward international regulation and helped to shape the content, timeline, and implementation of the resultant protocol. Deregulation of electric power markets, privatization of water supply, and even industry consolidation through mergers and acquisitions, shift the market structures and competitive dynamics that shape business operations, often with significant environmental consequences. Fundamentally, the legitimacy of business activities is a deeply political issue, and activities directed toward sustaining this legitimacy in the face of regulatory pressure and public distrust should be understood in this context. The language and practices of environmental management, for example, from the adoption of environmental standards such as ISO 14000 to the development of partnerships with environmental nongovernmental organizations (NGOs), are rapidly permeating large corporations. In a political economy perspective, these activities are more than simple technical and economic techniques and cannot be dismissed as cynical public relations "greenwash"; rather, they represent an integrated political and market response to environmental challenges, in a way that serves to accommodate social and regulatory pressures.

The increasing importance of international environmental agreements for a wide range of industry sectors, together with the significant impact of business activity on both the environment and the systems of governance set up to protect it, suggests that more attention needs to be paid to corporate strategy. Companies facing environmental pressures often adopt radically different strategies, ranging from strong opposition and challenges to the scientific basis for action, to constructive engagement and investment in alternative technologies. These differences sometimes defy simple explanation in terms of objective economic interests. If policymakers are to harness and steer corporate resources in environmentally constructive ways, it is of critical importance to examine and understand the determinants of these diverse business strategies. Similarly, business managers need to develop more sophisticated understandings of environmental problems, the potential of various technologies, and trends in the regulatory and market environment, if they are to develop strategies that integrate the pursuit of market opportunities with efforts to reduce the environmental impacts of their activities. One recurring theme in the book is that strategies are not developed on the basis of a set of fixed, objective interests; rather, strategies rest precariously on perceptions of interests that are constructed in institutional environments, and are thus influenced by national and industry contexts. Perceived interests can therefore shift over time, and within the negotiation process itself.

A political economy approach to international environmental governance also promises to enrich our understanding of global environmental politics. Regime theory, with its emphasis on interstate relations, has not paid sufficient attention to the rich and complex process of political bargaining and negotiation among a range of actors, most importantly firms, industry associations, NGOs, state agencies, and international organizations (which can also serve as a forum for these negotiations). This process includes efforts to deploy scientific and economic assessments to frame debates in particular ways, to forge broad alliances, and to project a specific conception of the general interest.

Regime theory has also tended to portray regimes as rational, technical solutions to environmental problems that successfully overcome problems of collective action among states. A political economy perspective, however, emphasizes that the structures and processes of régimes effect asymmetrical distributional outcomes, not just for states, but also for various industrial sectors and other social groups. Indeed, an observer of many complex, protracted negotiations could easily be forgiven for concluding that these distributional impacts are far more important to participants than any amelioration of the environment. The policy process apportions responsibilities, environmental risks, and benefits, and distributes the burden of action. Developments in the mode of environmental governance will therefore create differential impacts on trade and investment, prices and profits, and employment and wages. New norms and forms of discourse will become accepted and established; indeed, the balance of power between business, state agencies, environmentalists, and other social groups will itself shift.

Approaching environmental governance from a political economy perspective provides some traction for analyzing the impact of broader patterns and trends in the global polity. Traditional regime approaches tend to underplay the significance of global forces that lie outside the particular institutional arrangement under scrutiny. Deals brokered at the international level reflect compromises and trade-offs negotiated over time with a range of key actors. The degree to which different actors are influential in such deal-brokering, and the repertoire of arrangements considered legitimate, requires an understanding of power as it is exercised, not just "within" a regime, but in multiple political, economic and social sites within the global political economy. Perhaps the most important trend, in this context, is the strengthening of institutions and the diffusion of discourses associated with neoliberalism, including elements such as privatization, market pricing, extension of property rights, and the removal of restrictions on trade and investment. These are common elements in most of the regimes examined in this volume. The privatization of governance is most obvious, perhaps, in the development of private regimes, such as the environmental management standards ISO 14000 (Clapp, this volume). Our broader perspective on governance, however, suggests that other phenomena can also be interpreted as a form of privatization of governance. Quasi-private policy bodies such as the Trans-Atlantic Business Dialogue are becoming increasingly influential in trade and investment policy, as well as standard setting (Coen, this volume). Entire industries, such as water supply, are being privatized (Finger, this volume), while private firms are increasingly responsible for developing new technologies, environmental monitoring and assessment, and provision of financing. Trading mechanisms are being established for greenhouse gas emission rights and for bonds that bear the risk of property damage from severe weather events.

While the broader political and economic context is clearly important, our approach does not accord it a structural, deterministic power over particular environmental modes of governance. The cases in this book suggest that governance arrangements evolve over an extended period of complex, multiparty negotiations. Outcomes are influenced by the specific skills and strategies of the various actors as they try to build coalitions, frame issues in particular ways, and influence decisions makers. By their nature, strategies involve risks and the possibility of failure. Each issue has its own competitive dynamics, regulatory and institutional context. Chance coincidences, such as the scientific testimony about climate change before the U.S. House Energy Committee on a record-breaking hot week in Washington, D.C., in June 1988, can create strategic windows of opportunity. Outcomes thus exhibit some degree of indeterminacy. Moreover, the outcomes from any particular set of negotiations influences the norms, practices, and institutions that will affect other issues. Corporate engagement with the ozone case, for example, gave rise to processes for inclusion of business in technical and scientific issues that set the stage for climate change, and more broadly, for the interaction of institutions such as the World Bank with business and civil society. The relationship between issue-level governance and the global political economy is thus dialectical; individual regimes are shaped by, yet constitutive of, wider political and economic structures.

This Book's Insights and Perspectives

The focus of this book is a detailed theoretical and empirical analysis of the ways in which firms interact with governments, NGOs, and other actors as they both shape and respond to the agenda of international environmental politics. The contributors explore new forms of environmental governance, as well as new business and NGO strategies, that arise as a result. The book not only provides comparative insights into the responses of business to major international environmental issues, including ozone depletion, climate change, and genetically modified organisms (GMOs), but also explores how these responses differ across sectors, regions, and issues, and how they evolve over time.

The book also aims to contribute to the development of theoretical frameworks for understanding the role of business in global environmental politics. Scholars from a range of disciplines have been brought together to assess the relevance of existing theoretical tools and the possibilities of alternative approaches. Our contributors come from different disciplines, including organization theory and strategy, international relations, and political science, yet they share an interest in the role of private actors in global environmental politics. It is our intention to draw from this range of disciplines in order to build a conceptual bridge between the microlevel analysis of strategic interactions among firms, governments, NGOs, and international organizations, and more macrolevel analysis of the emerging system for global environmental governance. We also hope to build connections and conversations between two very different academic worlds that rarely encounter one another, those of management and business on the one hand, and international relations and environmental politics on the other.

The theoretical and empirical contributions in this volume represent an advance on the current literature on global environmental politics, which tends to neglect the role of private actors and lacks a coherent account of the ways in which firms are implicated in global governance of the environment. The editors, David Levy and Peter Newell, propose a neo-Gramscian framework that offers a flexible approach to understanding the contested and contingent nature of business power, the complex processes of alliance building and accommodation, the key role of civil society in establishing legitimacy, and the integration of economic, discursive, and organizational strategies. It is an approach that steers between, on one extreme, overly rigid structural accounts that adduce overarching power to multinational capital or dominant states, and, on the other side, pluralist approaches that presume a rough equivalence among actors and neglect the systematic asymmetries that flow from wider political economic structures. The various contributors to this volume do not, however, share a single theoretical perspective. Some see business enjoying a dominant position, while others attach less relevance to the structural dimensions of business power. Some focus more on the interplay of economic and material interests, while others emphasize discursive and cultural interpretations. Nevertheless, the authors concur in adopting a political economy approach, in which interplay of economic structures, corporate strategies, and political processes drive the evolution of international environmental governance. All the contributors view firms as key actors in this process, in their responses to and influence over environmental regulatory mechanisms, and in their responsibility for environmental impacts of economic activity.

Structure of the Book

Part I: Conceptual Frameworks We have noted in this introduction a general neglect of the role of business in global governance. Chapter 2 explores in more detail the current "state of the art" of literatures and debates about the firm as a global actor. It provides an overview of the various strands of regime theory, and notes some of the limitations of conventional approaches to international environmental governance. The chapter examines some recent theoretical developments, reviews debates about various forms of privatization of authority, and explores the changing nature of the relationship between business, the state, and civil society in a context of globalization. The review helps to lay the ground for a more coherent political economy approach that builds on regime theory to give much more prominence to economic structures and corporate strategies.

In chapter 3 we construct a neo-Gramscian conceptual framework, which proposes that international environmental governance is a profoundly political process that engages business, NGOs, state agencies, and intergovernmental actors in contestation over structures and processes of governance. This framework constitutes an effort to explain and illuminate the developments in the various environmental arenas discussed in subsequent chapters. The framework attempts to integrate perspectives from International Relations and International Political Economy with approaches from corporate strategy and environmental management. Our approach emphasizes the contested and contingent nature of business power, and that this contestation takes place across multiple levels (regional, national, international) and sites of power (material, discursive, organizational). This approach suggests a broad notion of environmental governance and its close relationship with industrial structures and business dynamics. The framework highlights the political nature of efforts to protect market position and build social legitimacy, through the use of a range of strategies including technological innovation, the construction of coalitions, and engagement in public debates over the science and economics of environmental issues.

Part II: Business Strategies and International Environmental Governance
While there is a growing acknowledgement of the importance of non-state actors in global environmental politics, few analyses place firms and corporate strategy centrally in their analysis of international environmental governance. The chapters in this section, taking three high-profile issues as their subject matter, do just that.

In the first chapter in this section, David Levy examines different corporate response strategies in Europe and the United States to climate change, and argues that economic and market structures only partially explain the greater tolerance in Europe for carbon emission limitations. Given the high level of uncertainty concerning science, technology, and policy, he contends that companies have a degree of discretion in their responses, and are therefore influenced by their institutional environments. In the early years of an issue, the influence of the home country environment tends to predominate, but as issues mature, he argues that firms are increasingly influenced by the global industry and by the institutional apparatus of environmental issues, leading to convergence in corporate strategic responses.

Drawing from the neo-Gramscian theoretical framework, the paper argues that the evolution of business responses to climate change can be understood in terms of industry's efforts to sustain its hegemonic position in the face of challenges. The sea change in the stance of U.S. business toward climate change that occurred in the period 1996 to 2000 was, he argues, a result of an accumulation of changes in technological capabilities and economic opportunities, organizational forms, and discursive structures. Fundamentally, the fossil fuel industry failed to secure legitimacy for its position in the key realm of civil society; we therefore observed a strategic shift toward an accommodation, hence protecting both corporate legitimacy and key economic interests of major sectors. The resulting regime is weak and modest, and is increasingly driven by fragmented decentralized efforts rather than a formal international treaty. While this compromise might construct an alignment of interests sufficient to bind a loose coalition of actors together, it may well be inadequate in terms of environmental protection.

The second chapter in this section, by Robert Falkner, posits that the technological resources of private firms constituted a significant source of their power in international ozone politics. Though the ozone story has been told many times from different perspectives, Falkner's chapter advances our understanding of corporate involvement in international ozone politics in several ways. While most studies emphasize the role of the major CFC producers, Falkner highlights the role of the CFC user industries in the unfolding negotiations. He shows how differences between and within producer and user groups in the major CFC industry sectors have influenced the process from the birth of the ozone regime through to its contemporary evolution. The story is explained in terms of "business conflict" between competing sectors, highlighting the role of technology as a source of power for the firms, and the centrality of business interests in guiding state bargaining positions. He concludes that while business was a key player in shaping the form and implementation of the Montreal Protocol, business was not "in control" and the agreement still represented an unwanted compromise.

The third chapter, by Peter Andrée, invokes the neo-Gramscian framework to examine how the major biotechnology companies have been involved in a "war of position" with environmental groups and state regulatory agencies. Despite strong government support for biotechnology and vast levels of investment by biotechnology companies in the development of GM foods, activists, particularly in Europe, have successfully persuaded consumers and some regulators to reject biotech products. Andrée describes the strategies that the industry has used to construct support for the technology and deflect challenges to the hegemonic bloc they have been seeking to maintain. He looks at the material, discursive and organizational underpinnings of the biotech bloc, providing a sense of how corporate strategies have evolved over time and continue to adapt to the shifting terrain of contemporary biotechnology policy. These shifts are related to broader patterns of change in the global political economy that are central, in Andrée's view, to understanding the global politics of biotechnology.

Part III: Business Influence: Regional Dimensions There is a danger inherent in any attempt to generalize assumptions about the ways in which firms organize and represent their interests. Chapter 4 of this book by Levy and other work by Levy and Newell (2000) point to important differences in the strategies and lobbying tactics adopted by firms; these differences may be a product of the political structures or social and cultural values of the region in which firms are based. Of course, many of these firms are multinational corporations, operating across multiple jurisdictions and cultures, while also needing to respond to emerging multilateral sources of authority, such as the institutions of international environmental regimes. Locating corporate engagement with environmental governance systems in a regional context and probing the interconnection of national and international structures provides a richer picture of business responses to environmental regimes.

Peter Dauvergne's chapter examines the influence of environmental pressures on the actions of tropical logging companies in the Asia-Pacific region. He illustrates that over the last decade, environmental ideas, agencies, and activists have helped push the rhetoric and policies of governments and firms to become more sensitive to environmental concerns. While some important shifts have occurred, however, few concrete changes have occurred so far in corporate environmental practices on the ground. Dauvergne highlights the disjuncture between the formal and informal aspects of the logging regime, characterized by the gulf between negotiations, laws and policies on the one hand, and customs, norms, and patronage networks on the other. Added to this, he describes how region-specific networks of corporations, financiers, managers, state officials, and traders reduce corporate accountability and transparency, making it difficult for environmental activists and states agencies to influence corporate practices. Dauvergne's account underscores the importance of looking at the local social, political, and economic systems of which firms are a part in order to understand how well-intentioned global environmental initiatives can be subverted and undermined at the regional and national level. It also highlights the significance of the broader concept of governance developed in this volume, as environmental impacts are driven by local economic imperatives and political processes.

Regional influences have a bearing not only on corporate market strategies but also on their political, or non-market strategies. Europe has seen a boom in economic and public interest lobbying focused on the European Union, reflecting shifts in decision-making power from the member states to the EU. Picking up on a trend towards trans-Atlantic convergence noted in Levy's chapter, David Coen's chapter explores current patterns of business-government relations in the EU and the United States, and observes that, from very different starting points, there is a measure of convergence in trans-Atlantic corporate political strategies, even if important differences remain. In particular, he notes the growth of issue-specific industry associations that attempt to represent the interests of firms from multiple sectors and countries, and which operate across multiple levels of decision-making. These trends are explored with examples from the regulation of automobile emissions.

Part IV: The Privatization of Governance: Business and Civil Society

Rather than accede to government-set standards, many business sectors have taken the initiative in setting up their own regimes for certification and standardization. In the environmental arena, codes of conduct such as the Valdez principles have proliferated, as have stewardship regimes that accredit responsible environmental practice and establish standards and labeling schemes. These business initiatives, often accomplished in partnership with NGOs, represent an increasingly important component of the global environmental architecture. Some of these efforts related to the environmental performance of consumer products, while some attest to the conditions of production along the supply chain. Those firms that have invested in cleaner products and processes increasingly demand recognition for their efforts, and private certification regimes enable firms to develop brand recognition, deter competition, while deflecting demands for governmental regulation. Contributions in this section highlight the various mechanisms by which private actors establish private regimes of governance, and point to some problematic implications regarding participation in governance processes and the distribution costs and benefits.

Jennifer Clapp's chapter in this volume explores the environmental management systems endorsed by the ISO. The ISO 14000 standards are being adopted by standards setting bodies in some states as national EMS standards, and are now recognized by the World Trade Organization (WTO) as legitimate public standards and guidelines. Clapp shows how the growth of private standard-setting bodies has led to mixed regimes of a hybrid nature, whereby both states and private authorities are heavily involved in the creation and maintenance of international principles, norms, rules, and decision-making procedures. Clapp explores the consequences of such private standard-setting processes, where membership and procedures are often far from open and participatory. The ISO 14000 standards are of particular concern for developing countries that do not have as much representation in the body as do industrialized countries, as well as for smaller, less sophisticated firms, for whom the standards can constitute a market barrier. Clapp thus highlights both the political and ecological consequences of this shift in environmental governance towards the privatization of authority.

While we are accustomed to thinking of private governance in terms of self-regulation by firms, Sverker C. Jagers, Matthew Paterson, and Johannes Stripple, show how the insurance industry is creating its own set of private governance mechanisms through what they refer to as the securitization of risks from climate change. They demonstrate that, while many insurers have become concerned about the possible impacts of global warming on their industry, the dominant response by insurers has been to develop new financial instruments that extend their capacity to finance losses from large-scale weather-related disasters. This is in spite of the attempts by individuals within Greenpeace to divide business opposition to action on climate change by forming an alliance with the insurance industry. These moves are understood by the authors in Gramscian terms as a counterhegemonic strategy to fracture the power of the fossil fuel industry, by preventing it from representing itself as the broad voice of business. The authors explain the relative failure of this initiative in terms of financial interests and the political culture of the insurance industry. They demonstrate how the risk management strategies of insurance companies constitute a new form of private governance that avoids the need to form alliances with environmentalists. These strategies, moreover, have far-reaching consequences for those subject to the risks of climate change, particularly the poor and vulnerable in less developed countries, who are often left uninsured. The asymmetrical access to and outcomes of these governance systems highlight the importance of paying attention to the political economy of private forms of governance.

The shift towards the privatization of authority in the various guises described in the previous chapters is ultimately validated by a belief in the superiority of market-driven policy. In many national settings, this ideology is promoted by institutions often not thought to be part of the system of global environmental governance, such as the World Bank. Yet the development projects and programs that such institutions finance and support have far-reaching social and environmental implications.

In his chapter on the privatization of water supply, Matthias Finger highlights the importance of relations between firms and international development and finance organizations in understanding the privatization of water and the implications for questions of access and water quality. Finger explains the background to the increasing popularity of what he labels the "new water paradigm," in which private firms and market pricing form the backbone for water supply systems. This water paradigm is an example of a loose environmental governance system governed by some broad neoliberal principles and dominated by a handful of water multinationals and international financial organizations. Having profited from the World Bank's privatization policies and successfully acquired water companies in developing countries, multinationals in the water industry are now turning towards Europe and the United States. As noted in other chapters, the privatization of governance often marginalizes the influence of NGOs and other social groups, leading to detrimental distributional consequences. The paper notes a tension between patterns of liberalization and reregulation; although states are providing fewer services with diminished resources, water multinationals are lobbying for tougher environmental standards that only they are in a position to meet. Through these means, it is claimed, firms are bringing about the "instrumentalization" of the state in order to obtain markets, financing, and secure property rights. For Finger, the benefits of a Gramscian approach relate to the significance of the ideology of the "new water paradigm," and insights gained into the process of coalition-building between firms, NGOs and international institutions through emphasis on public-private partnerships.

The ways in which business engages with institutions of global environmental governance and the extent to which they adapt corporate strategies to environmental initiatives is increasingly affected by the activities of civil society groups. Civil society is an important battleground, therefore, for broader social and political conflicts. In the final chapter of the book, Lucy Ford draws on the experience of the toxic waste trade to explore how NGOs and social movements have sought, in different ways, to interact with and engage the regime set up to govern the global trade in toxic wastes. While some groups have sought to "play by the rules," working with policymakers and using prevailing discourses to lobby for change, others have questioned predominant forms of scientific and expert knowledge used to understand environmental change and to raise more fundamental questions about production, consumption, and lifestyle that are neglected in mainstream policy discourses. The chapter provides an interesting insight into the strategic dilemmas facing NGOs: the dangers of cooptation by dominant groups versus the risk of marginalization that comes with nonengagement. Ford develops a neo-Gramscian position to challenge the conventional view that civil society always represents a democratic force in global politics, and cautions that civil society is also a key site of political struggle for legitimacy, allies, and influence.

We conclude the book by drawing out common themes, insights, and experiences from the sectors, issues and regions explored in the chapters. We suggest what these insights might add to our understanding of the role of business in international environmental governance, and reflect on the theoretical framework in light of the cases presented. We suggest that one does not need to refer to hegemony or historical blocs to reach many of the key insights of this volume, such as the pervasive influence of business, the legitimating role of civil society, or the significance of business strategies. However, the neo-Gramscian framework integrates these insights in a more theoretically grounded and intellectually satisfying manner, providing a more systemic understanding of dynamic processes of political contestation over environmental governance, and their linkages to macropolitical and economic structures. More generally, a political economy approach enables us to conceptualize the development of systems of environmental governance not just as a rational problem-solving activity, but as a political effort to coalesce an alliance of groups around a specific set of arrangements. This conception allows us to ask questions about the distributional and environmental impacts of different governance mechanisms. Moreover, an understanding of the strategic dimension of power implicit in the political process opens analytical space for environmentalists and other actors to consider the possibilities for advancing or contesting particular forms of governance, to enhance protection of the environment.

References

International Chamber of Commerce. (1995). Statement by the International Chamber of Commerce before COP1, March 29, Berlin.

Levy, D. L., & Newell, P. (2000). Oceans apart? Business responses to the environment in Europe and North America. *Environment*, *42*(9), 8–20.

Lipsky, M. (1980). *Street-level bureaucracy: Dilemmas of the individual in public services*. New York: Russell Sage Foundation.

Schmidheiny, S. (1992). *Changing course*. Cambridge, MA: MIT Press.