

“Public and Corporate Governance for sustainable development in Europe: How states and corporations address the challenges of horizontal integration and participation”

Background

The project proposal summarized in the Abstract below is aiming at a research project carried out at the Vienna University of Economics and Business Administration and funded by the Austrian Science Fund's START programme. The START programme promotes promising young Austrian researchers up to the age of 36 by providing financial security for a period of six years (for more information on the programme, see <http://www.fwf.ac.at/en/projects/start.html>).

Abstract

Sustainable development (SD) is a widely accepted societal guiding model that implies very similar normative challenges or principles for both governments and corporations. Although there are conflicting interpretations of what SD actually means in detail, the following three general challenges or principles are widely accepted: First, according to the principle of inter-generational equity, decisions should reflect not only a short-term rationality but also long-term considerations in order to give future generations equal opportunities. Second, according to the principle of horizontal integration, decision-makers should strive for a better integration of economic, social and environmental policies (the three dimensions of SD) in order to avoid negative effects across sectors. Third, according to the principle of participation, those who are affected by decisions should be involved in both developing and implementing them in order to secure broad acceptance and ownership.

Obviously, these three normative principles are concerned not only with political contents or substance, but also with the question of how decisions are developed and implemented, i.e. with the concept of governance in a broad sense. Since the three principles are relevant for governments and corporations alike, they are a widely accepted reform agenda for both public and corporate governance. This cross-sectoral issue is at the focal point of this inter-disciplinary project.

In fact, governments all over Europe tackle the challenge of horizontal integration with national SD strategies as the hub of a range of structures and mechanisms of inter-ministerial collaboration. Regarding participation, governments involve civil society and business stakeholders in decision-making and implementation, e.g. in the form of stakeholder dialogues, voluntary agreements or partnerships. Corporations, on the other hand, address the challenge of horizontal integration with strategic business approaches known as “Corporate Social Responsibility” (CSR) and Corporate Sustainability. Regarding participation, corporations of all sizes recognize pro-active stakeholder management as increasingly important approach that enhances both the economic and the CSR performance. Although the concept of SD is certainly not the only driving force behind these public and corporate governance changes, their relevance for SD is obvious.

The two main aims of the project are (i) to analyse selected public and corporate governance changes that are related to the principles of horizontal integration and participation, and (ii) to explore what governments and corporations can learn from each other in this respect. The research project is a fully inter-disciplinary effort. It sets out with an in-depth analysis of SD as reform agenda for public and private governance (touching also on related normative concepts such as good governance and corporate citizenship) and a systematic exploration of conceptual and methodological challenges of the inter-disciplinary work envisioned. At the core of the project are theory-based case studies in which actual public and corporate governance practices relevant for the principles of horizontal integration and participation are analysed and compared with each other. Based on the empirical evidence gathered, the project finally becomes “theory-building” in two respects: First, it questions the normative governance principles of SD and related theories (e.g. on participation). Second, it explores opportunities and limitations of an exchange of experiences and tools between the public and the private sector in dealing with the normative principles of SD, and between political and management science in analysing these efforts.