

Abstracts

**VOLUNTARY ENVIRONMENTAL INITIATIVES
AND SUSTAINABLE INDUSTRY**

July 1999

Bruce Paton
Department of Environmental Studies,
University of California, Santa Cruz, California 95064, U.S.A.
phone: (408) 247-8745
e-mail: paton@cats.ucsc.edu

ABSTRACT

Voluntary environmental initiatives are private or public efforts to improve corporate environmental performance beyond legal requirements. They include five broad categories of activity -- industry-led initiatives, NGO- led programs, standards organization-led programs, voluntary policies, and negotiated agreements.

Voluntary initiatives have become an important element in the mix of public policies and corporate strategies for managing industrial impacts on the environment. But considerable uncertainty exists concerning the effectiveness, economic efficiency, equity and transparency of voluntary programs relative to other policy instruments.

This paper considers the potential role for voluntary initiatives in the transition toward more sustainable industrial systems, in light of these criteria. Several pervasive problems have hindered evaluation of their environmental effectiveness so far, including poorly specified objectives, inadequate data on results, and poorly specified baselines for comparison. Economic models indicate that in different circumstances, voluntary approaches may increase or decrease economic efficiency. However, these conditions remain poorly understood. Little if any analysis so far has focused on the intergenerational and intragenerational equity of voluntary approaches. Evaluations of negotiated agreements indicate that they often reduce transparency --the ability of outside parties to observe both the process and the outcomes of a policy -- relative to regulations.

These issues indicate that while voluntary initiatives can help us move toward more sustainable industrial systems, they will probably not be adequate by themselves to drive the transition. Considerable advances will be required in the design and analysis of voluntary initiatives will be required to harness their full potential.