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# Editorial

In this final edition of the *Journal of the Asia-Pacific Centre for Environmental Accountability* for 2011 one feature article is published, reviewed as usual independently of the editors. We have taken a somewhat different approach for the second article, which is a commentary delivered at a recent conference that has relevance for social and environmental accounting research.

The first article is by Adele Caldarelli, Clelia Fiondella, Marco Maffei, Rosanna Spano and Claudia Zagaria. They examine the notional and analytical synergies between the Catholic Church's Common Good and Economia Aziendale theory. Economia Aziendale theory has contributions for the common good in practice and this in turn has implications for corporate social responsibility. Such articles make vital contributions to the social and environmental accounting literature, which has to date placed limited emphasis on national issues and values.

Our second article is an insightful commentary by Professor Jane Broadbent on social and environmental accounting research. This was delivered as a closing address at the emerging scholars colloquium for the tenth Centre for Social and Environmental Accounting Research conference held in the beautiful city of Launceston, Tasmania. Jane delivers a must read commentary for emerging as well as established social and environmental accounting researchers.

The edition concludes with **Environment Extra!** and a **Call for Papers.** The Editors would like to thank their Editorial Board members, readers and *CPA Australia* for continuing support, and foreshadow a potential change in the title of the journal in 2012 following the change in format this year.

# Notes for contributors

## Manuscript requirements

Articles should be submitted in a word document, Times New Roman, 12 point, single spaced, single column, and attached to an email. References should be in the UniSA Harvard referencing style, available from the following link:

http://www.unisa.edu.au/ltu/students/study/referencing/harvard.pdf

As a guide to authors, articles should be no more than 6,000 words unless negotiated with the editors. The submission of shorter articles is particularly welcome. Each article should be preceded by an abstract of no more than 100 words.

To ensure anonymous review, authors should not identify themselves directly or indirectly in their manuscript. A separate cover page should show the title of the manuscript; the author(s)'s name(s); position(s); affiliation(s); and contact details.

## The reviewing process

Feature articles are independently reviewed by members of the Editorial Board in accordance with the requirements for classification as a C1 journal article in Australia: 'For the purposes of the HERDC, an acceptable peer review process is one that involves an assessment or review of the research publication in its entirety before publication by independent, qualified experts. Independent in this context means independent of the author'.

Each article published in the *Journal of the Asia Pacific Centre for Environmental Accountability* is blind reviewed by at least two members of the Editorial Board. The journal is listed on the ARC's ERA 2010 journal list which is considered acceptable as evidence of peer review for HERDC purposes.

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## Editorial objectives

The objectives of the journal are, first, to encourage investigation of environmental and social accounting, reporting, accountability and assurance. The second objective is to promote environmental, social and sustainability accounting, accountability, reporting assurance, and related taxation research to professional and academic accountancy and finance academics, professional bodies and governments. The editors are amenable to quality research in any paradigm including, for example, field or experimental investigations, archival or survey research, interpretive or critical studies and case study research.

## Editorial criteria

Major criteria used to evaluate papers are:

- subject matter must be of importance to the accounting discipline;
- research questions must fall within the journal's objectives;
- research must be well designed and executed; and
- presentation is well written and in conformance with the journal's style.

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# Editorial Board

# The Common Good and Economia Aziendale theory: insights for corporate social responsibility from the Italian perspective

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### Abstract

*This paper focuses on corporate social responsibility and examines the notional and analytical synergies between the Catholic Church's Common Good and Economia Aziendale theory. The purpose is to present an argument concerning the possible theoretical and practical contribution of the Economia Aziendale theory in pursuing the aims of the Common Good to encourage social action. Moreover, this study emphasises several lessons from the theory for the international community concerning the explanation for and implementation of corporate social responsibility practice.*

**Keywords**

Corporate Social Responsibility, Economia Aziendale, Common Good, Catholic Church, Italy, Azienda

## 1. Introduction

This paper focuses on corporate social responsibility (CSR) and examines the notional and analytical synergies between the Catholic Church's Common Good and Economia Aziendale theory. Although the concept of CSR is widely discussed in theory and practice, there is no general agreement about its definition (Dahlsrud, 2008). However, as this research focuses on a theory founded on the typical economic environment of continental Europe, CSR is defined according to the European Commission as 'a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment [… by integrating] social and environmental concerns in their business operations and in the interaction with their stakeholders' (COM, 2001, pp. 4, 6). The Common Good approach aims to involve additional entities in the adoption of an accountability perspective in management and development of a socially responsible and environmentally sustainable program. Hence, this paper presents an analysis and argument concerning the possible theoretical and practical contributions of Economia Aziendale theory in pursuing the aims of the Common Good as a condition which encourages socially and environmentally responsible action.

The concept of the Common Good emerges from Platonian and Aristotelian philosophies and its nuance has been variously interpreted over the centuries (Garriga and Melè, 2004). The Common Good is also the underlying philosophical conception of Catholic social doctrine; the Roman Catholic Church uses this conception to express 'the overall conditions of life in society that allow the different groups and their members to achieve their own perfection more fully and more easily' (Second Vatican Council, 1965, p. 261).  In this respect, it is important to recognise that several authors have applied the Catholic Church's conception of the Common Good as a key for business ethics (Alford and Naugthon, 2002; Argandona, 1998; Koslowski, 2006; Melè, 2002; Sison, 2007). Although in the accounting literature a number of theories have been used to attempt to explain CSR – among some of the most commonly used being stakeholder theory (Roberts, 1992; Ullmann, 1985), legitimacy theory (Guthrie and Parker, 1989; Lindblom, 1994; Patten, 1992) and political economy theory (Cooper and Sherer, 1984; Guthrie and Parker, 1990). Garriga and Melè (2004) categorise the Common Good as an ethical theory, less consolidated than the stakeholder approach, but with considerable potential as a theoretical foundation that permits the circumnavigation of cultural relativism, which is frequently embedded in the theories cited above.

Economia Aziendale is the leading Italian normative entity theory that has been originally developed in Italy during the early 20th century and the work of Professor Gino Zappa and has been refined since. Zappa was Professor of Accounting at the University Ca'Foscari of Venice. Zappa stands as the founder of the Economia Aziendale theory which offers an effective and dynamic explanation of the *azienda*, a coordinated and unitary economic system, held to undertake its operations in a manner highly coordinated in both time and space that has an in-built tendency to continue in the future (Capalbo and Clarke, 2006). In particular, the *azienda* is regarded as an autonomous holistic system separate from its owners, managers, workers, assets, and so on, and claimed to possess norms of its own (Viganò, 1998; Viganò and Mattessich, 2007). These elements perpetually interact in such a way that the *azienda* might aim to create value for itself and its members, the environment and socially recognised stakeholders (Cavalieri and Ferraris Franceschi, 2010).

The aim of the research presented here is to identify and explicate, from the Italian perspective, the role that the Economia Aziendale theory could play for the international community in the process of explaining and implementing CSR practices. This study of CSR with reference to the Catholic Church's philosophy of the Common Good and Economia Aziendale theory, offers a foundation for theorising social and environmental responsibility that has not previously been available in the accounting literature outside Italy. Since the second half of the 20th century a lengthy debate on corporate social responsibility has been taking place in the international accounting research literature, giving rise to a proliferation of theories, approaches and terminologies, however there remains a need for further empirical evidence, and room for additional theorising (Carroll, 1999; Parker, 2005). There has been a call for a systematic approach to CSR (Garriga and Melè, 2004) which could overcome limitations associated with most groups of CSR theories, that is, the issues related to specific groups of theories are not considered in other groups. In this last respect this paper demonstrates that the Economia Aziendale theory, not well known outside the Italian context, may provide a new and systematic approach to corporate social responsibility having both theoretical and practical usefulness.

Therefore we aim to answer the following research questions:

- What are the synergies between the Catholic Church's Common Good and the Economia Aziendale theory?
- What contribution can be offered to the international community from the viewpoint of Economia Aziendale theory concerning its explanation and implementation of CSR practices?

The remainder of the paper is organised as follows. The second section provides an explanation of the background for this research; the third section explains the concept of Common Good. The fourth section focuses on the main characteristics of the Economia Aziendale theory. The fifth section highlights the synergies between the Common Good and Economia Aziendale theory. The last section focuses on the conclusions of the study, emphasising several lessons from the Italian theory for the international community.

## 2. Background

CSR can be regarded as a cluster concept overlapping with such diverse notions as business ethics, corporate responsibility, corporate citizenship, sustainability, environmental responsibility, and corporate philanthropy (van Liedekerke and Dubbink, 2008). All of these areas have increasing importance which according to Werther and Chandler (2006) is due to:

- general affluence that allows consumers to pay more for socially and environmentally responsible products and expect more from the companies that manufacture those products;
- reduced trust in the activities undertaken by firms and governments;
- rapid flows of information that disseminate good news and bad news related to firm behaviours; and
- growing public attention to human rights and environmental sustainability.

Moreover, it is argued that CSR is a central issue, in theory and practice, not only for business but for law, politics and economics (McKie, 1978). Indeed, over the last few decades, phenomena such as globalisation and liberalisation of markets, as well as rapid technological and scientific developments, have dramatically changed the perception of social life and economic functions, in both time and space. Thus, concerns about corporate social responsibility have grown significantly during the last few decades. The issue of CSR has become commonplace in the business press, among business and political leaders (Campbell, 2007), and in academic literature (Margolis and Walsh, 2003; Walsh et al., 2003). Indeed, the literature highlights that a basic premise is that business cannot exist without society and that society cannot go forward without business. Hence, business ought to acknowledge society’s existence and society’s increasing demand for more ethically, socially and environmentally responsible business practices (Joyner and Payne, 2002). From a societal point of view, CSR represents a fundamental evolutionary mechanism to increase and enhance accountability (Gray et al., 1996).

With specific reference to the Italian context, CSR issues are becoming increasingly important because of ongoing institutional and political change processes, cultural transformation, and challenging national economic circumstances which call for social solidarity and the promotion of economic expansion, especially in the less developed southern regions. Indeed, the Italian Episcopal Conference has examined the main social and economic issues of these underdeveloped areas and suggests actions via the Common Good principles (CEI, 2010). It is worth noting that Pope

Benedict XVI evokes the fundamental principle of the Common Good in the encyclical *Caritas in Veritate* (Benedict XVI, 2009) and Catholic social doctrine analyses the economic life of entities, stating that they should serve the Common Good (Papal Council, 2010).

It is important to note that the Catholic Church's conceptions, as well as the pressures in relation to cultural and scientific issues, have always played a leading role in Italian thought and society. According to the Catholic Church's beliefs, family is the centre of social life. Family also represents the core of the Italian economic context and the typical proprietary structure of the Italian *azienda,* particularly at the time when the Economia Aziendale theory was established. In English-speaking countries the archetypical entity is medium or large, with many shareholders (where it is a public company). In continental Europe, however, the entity is typically medium or small in size and often a sole or family proprietorship (Viganò and Mattessich, 2007). The Italian case differs from the other continental European countries in that the Italian economy since the end of the 19th century was strongly influenced by the encyclical letter *Rerum Novarum* (Leo XIII, 1891), calling for Catholics to give life to forms of solidarity aimed at encouraging the development of the rural classes and urban proletariat. The orientation of ideas expressed in the encyclical letter strengthened the commitment to vitalise Christian social life, which evidenced in the birth and consolidation of numerous initiatives with high civic profiles such as groups and centres for social studies, unions, cooperatives, and rural banks (Pezzini, 2006). In particular, the first cooperative banks and rural banks created under this Catholic inspiration supported the development of the Italian economy and the establishment of new entities, influenced by the Catholic approach to business (Maffei, forthcoming; Galassi, 2001). Therefore, Economia Aziendale theory itself, as developed in the early 20th century, has been influenced by the strong presence of the Catholic Church that permeated Italian culture at the time. Since the very beginning, the theory has embodied in its principles Catholic social thinking on Common Good.

It is worth noting that in the Italian context not only the small to medium sized entities and public and non-profit organisations, but also cooperatives represent an important part of the economy, and that since *Rerum Novarum* (Leo XIII, 1891), the Church has consistently mentioned cooperative entities in its social documents. In the encyclical *Quadragesimo Anno* (Pius XI, 1931) recommended the creation of workers' associations such as trade unions. In his message of September 1944, Pius XII also proposed the creation of cooperative unions for small and medium enterprises in agriculture, arts, retail, and industry. In the encyclical *Mater et Magistra* (John XXIII, 1961) there is a specific chapter on artisans and co-operative enterprises. The Second Vatican Council (1965), in the *Gaudium et Spes* constitution, calls for effective cooperative organisations. Specific references to co-operatives can also be found in the encyclical *Laborem Exercens* (John Paul II, 1981). It is significant that these documents issued by the Catholic Church use the Economia Aziendale language and concepts to explain how to pursue the Common Good and solve economic, social and environmental issues. Consequently, on this basis we might argue that the Economia Aziendale theory, could give a new and valuable contribution in explaining CSR practices from the Common Good perspective, both theoretically and practically.

## 3. The Common Good theory

The concept of Common Good emerges from Platonian and Aristotelian philosophy. Aristotle states: ‘it is commonly accepted that every art practised methodically and, similarly, every action accomplished on the basis of a choice, aims for good: therefore, the good is that which everything tends’ (Aristotle 1985, I.I 1094a 2-3). Other famous thinkers such as St Augustine, St Thomas of Aquinas, and Locke have also dealt with the concept of Common Good. In particular, Roman Catholic Church thinking has played a leading role in the development of the Common Good concept. The concept of the Common Good as used today by Catholic social doctrine is founded on the ideas of St Francis of Assisi, who focussed on pursuing the principle of solidarity through equality, dignity and rights for all people (Zamagni, 2010).

The Common Good represents a framework that the Catholic Church has developed for the interpretation of social justice. Its approach presupposes both the dignity and sociality of human beings, their rights, the duties on which those rights are founded, and the interpretation of dignity, sociality, duties and rights across the interlocking and reciprocal spheres of religious, political, cultural and economic well-being (Cahill, 1987). However, it should be highlighted that the Common Good has been interpreted by others over the centuries (Mahon and McGowan, 1991; Smith, 1999; Velasquez, 1992).

According to Velasquez (1992) there are two different conceptions of Common Good: the weak conception with the utilitarian notion of Jeremy Bentham who states that the Common Good is nothing more than the sum of the interests of the members of a certain community (Bentham, 1789), and a strong conception of the Common Good in the Catholic Church tradition. The Common Good, as interpreted by the Catholic Church, is clearly distinct from the *private* good and the *collective* good: a true Common Good is *universal* (Wallace, 1977). This means that the Common Good is a general condition that is to everyone’s advantage (Rawls, 1971).

Although there are alternative interpretations of the Common Good – those identified as weaker than that of the Catholic Church – both the weak and strong forms include a common range of concepts including social ties and sustainability that have found acceptance in the literature. As far as this research is concerned, the Common Good is much more than the simple sum of the good in the single parts; it is inseparable and should be ensured and enhanced by every member of the community. Indeed, the Common Good is fostered when members of a community contribute to improving the community as a whole for the benefit of everyone, including themselves (O'Brien, 2009). In other words, the Common Good refers to the circumstance that all the communities need to share values and habits, as well as mutual rules, which are not only shared by those who are members of a community but created through cooperation (Melè, 2009). Messner (1965) defines the Common Good as the social cooperation that individuals implement as members of society for the fulfilment of their existential ends, i.e. 'that order of society in which every member enjoys the possibility of realising his true self by participating in the effects of the cooperation of all' (Messner, 1965, p. 118). On the other hand, Finnis (1986, p. 165) refers to the Common Good as an ensemble of conditions which increases the chance of flourishing for all members of a community. Consequently, it is possible to identify two different features of the Common Good: it is created and shared by all members of a community and it contributes to human flourishing.

From an economic perspective, the Common Good gains validity from the system of favourable conditions that, if enhanced, can better drive economic and political action.  For example, we can call on the Common Good for the democratic organisation of the power in the State, the actions undertaken and the institutions created to guarantee environmental protection, as well as the juridical institutions aimed at assuring those human rights such as home, sustenance, employment, education, and so on (Velasquez, 1992; Santesso, 2010). Several authors including Alford and Naugthon (2002), Argandona (1998), Koslowski (2006), Melè (2002), and Sison (2007) have applied the concept of the Common Good to business ethics. From this perspective it is worth noting that while there is the demand for efficient and effective production activities to satisfy the goals of the shareholders and stakeholders, there is the need for calling firms' attention to their social function (Dodd, 1932).

The concept of Common Good is useful for pursuing a deeper understanding of the role of business organisations in the current economic and social context. An entity contributes to the Common Good of society through its activities: offering goods or services, creating and distributing economic value added, work performed within the company, organizational culture and leadership, creating channels of investment, and providing continuity to the company itself (Melè, 2002). Thus, the Common Good of an entity represents an essential orientation for management that should be consistent with the Common Good of society (Melè, 2009). Business entities are assumed to be an integral part of the society, hence they are supposed to contribute to the development of the Common Good. Business organisations can create such value in different ways including efficiently producing goods and services (O'Brien, 2009). This is justifiable as long as human dignity and rights are taken into consideration and there is an authentic cooperation in order to assure harmonic and peaceful living, for the present and for the future (Garriga and Melè, 2004).

The Catholic Church's approach to the Common Good as a key reference for business ethics, and which strongly influences the Italian culture, emphasizes different aspects. In Catholic thought, the concept of Common Good implies a sense of social responsibility and requires a person's ability to safeguard someone else's good as much as their own. People should pursue the advantage for the Common Good rather than the individual good (Papal Council for the Justice and the Peace, 2010). In addition, given that, as previously clarified, the Catholic social doctrine affirms that the Common Good enables both community and individuals to realise their full potential (Second Vatican Council, 1965), it calls for the merging social and economic life (Zamagni, 2010). Indeed, Catholic social doctrine draws attention to the interrelationship of economics and morality, highlighting that they are not conflicting or unconnected. Therefore, in socio-economic life a respect for human dignity and the Common Good should be honoured and encouraged since humanity is the centre and goal of economic life. Thus, the managerial dimension of companies and other organisations should be aimed at dealing with the fulfilment of the Common Good through the production of goods and services (Papal Council for the Justice and the Peace, 2010). As Bowie (1999) states, firms and other organisations are made up of people, so that since people are arguably moral, the organisational structures should be driven by morality as well. The encyclical letter from Pope Benedict XVI (2009), *Caritas in Veritate*, evokes fundamental principles of the Catholic Church tradition such as subsidiarity, participation and solidarity.

The principle of subsidiarity implies promotion of the dignity of the person through care in different social contexts (family, associations and any other form of economic and cultural aggregation). The principle of participation is a natural consequence of the principle of subsidiarity. Participation implies the civil action of individuals or aggregations and is inspired by a sense of responsibility aimed at housing and developing the Common Good. The principle of solidarity calls for social equality for all people in dignity and rights. In the light of these principles, it is argued that managerial action cannot only be profit driven and cannot refer solely to shareholders. On the contrary, it is essential that the entity acts primarily to guarantee certain advantages to the employees, the local communities, the local institutions, the customers, the suppliers and the community as a whole for the achievement of the Common Good (De Giorgi, 2010).

In this theoretical view, the principles of the Common Good may serve as basic assumptions to clarify the role of the business, given the attainment of the Common Good as the fundamental motivation behind entities' actions, being aware of a culture of commitment and cooperation and having a good work climate regarding fundamental elements of the Common Good of the entity.

## 4. The Italian Economia Aziendale theory

Economia Aziendale is the traditional Italian entity theory which studies issues related to economic administration. It is a normative theory in that it articulates principles for managing organisations with a view to achieving operational purposes valuable to the individual and community as a whole (Cavalieri and Ferrari Franceschi, 2010). The Economia Aziendale places great emphasis on the principle that human behaviour is not motivated exclusively by egoistic and economic reasons, since anyone is primarily considered a member of the human community (Airoldi et al., 2005). From a conceptual point of view, this means that the Economia Aziendale theory is a multidisciplinary theory which encompasses contributions from psychology, sociology and ethics (Zappa, 1927; Santesso, 2010). From a practical perspective, the theory helps to understand what drives economic activity, pulling together the values of individuals and of human societies (Airoldi et al., 2005).

The origins of Economia Aziendale theory date to 1926 and the work of Gino Zappa, who orientated Italian scientific research towards an examination of the *azienda* by looking at systemic aspects of management, accounting and organisation. At the beginning, the *azienda* is described as ‘an economic institution aimed at enduring, which, in order to satisfy the human needs, carries on in uninterrupted coordination the production or the acquisition and the consumption of wealth’ (Zappa, 1956, p. 37). Therefore, Economia Aziendale theory attempts to examine the conditions of organisational existence and managerial activities in all types of entities (Amodeo, 1965). The aim of observing complex and structured activities carried out by such systems is to deepen our understanding about the conditions that the *azienda* should reach in order to ensure the continuing existence of the institution or the achievement of the purposes for which it was created (Sidrea, 2009).

The Italian tradition has long dealt with manifold issues related to the economic system of the *azienda*. Several studies investigated the questions connected to the processes (Marchi, 2006), explored the measurement of value creation (Catturi, 2007), and others focused on management accounting or the decision-making process (Bergamin Barbato, 1991). However, all these studies share the concept of the *azienda*, seen as an economic unit made up of persons, characterised by a sum of relationships inspired by human and social values, and regulated through the exchange criterion. Given that the *azienda* represents one of the elementary units of the general economic system, it is influenced by external factors such as the political system and socio-economic environment (Giunta, 2008).

Another issue arises in the *azienda*. It clearly consists of several technical structures, people represent its real core, and the economic activities of the *azienda* aim to satisfy the needs of such persons (Onida, 1971; Ferrero, 1980; Catturi, 2003; Potito, forthcoming). The *azienda* carries out the economic activities to achieve the satisfaction of human needs traditionally divided into natural, those closely related to the basic needs of the human existence, and social, i.e. the ethical, aesthetic, as well as religious (Onida, 1971; Ferrero, 1980; Airoldi et al., 2005). Still, the purpose of the *azienda* does not necessarily coincide with the particular aims of the people involved in the organisation (Cavalieri, 2010). The phenomenon of the *azienda* results from a continuous process of composition amongst particular interests of individuals. The individual involved in the *azienda* has to abdicate their personal positions and wishes in order to realise the life of the community (Zappa, 1956). In fact, the existence and permanence of the *azienda* are due to its ability to perform as an autonomous unit, with different goals from that of the people who fund or work in it. Consequently, given that the activity of the *azienda* deals with the acquisition of resources, and the production and consumption or exchange of goods and services, the purpose of these activities is value creation for the *azienda* itself – and not for the individuals – as well as for different stakeholders involved (Sidrea, 2009). Furthermore, the *azienda* not only takes on social value, but also interacts with its natural environment whose resources continue to fuel value creation processes. This is why the creation of value which benefits the entire community must bring into consideration ecological and environmental variables (Catturi, 2003).

The systematic value creation process entails the achievement of a durable economic equilibrium, which means that the *azienda* is able to preserve or even improve its level of functionality over time (Sciarelli, 2007; Cavalieri, 2010), and attain both financial and strategic equilibrium. This implies the adoption of systematic behaviours aimed at creating and maintaining cooperative relationships with stakeholders based on knowledge exchange, open dialogue and joint efforts toward common and shared aims (Cavalieri, 2010). When the *azienda* is able to reconcile the interests of those who invest and the labour force in common economic activity (Masini, 1976), whilst simultaneously achieving the conditions which assure a durable economic equilibrium, then it has the chance to enlarge its sphere of responsibilities to include social and environmental actions in its strategic planning. Being socially responsible means that the primary focus for the *azienda* is to control and improve the social and environmental effects of its activities (Sciarelli, 2007). Accordingly profit is not the main purpose of the *azienda;* on the contrary, as a social institution, it aims to enhance humanity's wellbeing. The goal of the *azienda* is to promote the development of individual personality, as well as to achieve ethical community life needs (Onida, 1971). Profit should be pursued merely as *viaticum* to the permanence of the *azienda* in the economic environment and as an instrument for the *azienda* to contribute to the human well-being and environmental protection, only then can it be properly understood as an essential element of the Common Good (Coda, 2010; Sciarelli, 2007).

## 5. The synergies between the Common Good and the Economia Aziendale

On the basis of the argument above is therefore possible to answer the first research question: Which are the synergies between the Catholic Church's Common Good and the Italian Economia Aziendale theory?

The concept of Common Good, as it is developed by the social doctrine of Catholic Church and Economia Aziendale principles display similarities. In reality, it is possible to argue that the values inherent the concept of the Common Good might find a vehicle for concrete application in Economia Aziendale theory, (Maffei, forthcoming). It is widely recognised that entities are an integral part of society hence they are supposed to contribute to the development of the Common Good which increases the chance of prosperity for all members of a community (Finnis, 1986).

According to Economia Aziendale theory, the *azienda* is an institution created by and designed for the satisfaction of human needs (Zappa, 1927). At the beginning of its economic life the *azienda* must focus on economic and financial issues to ensure its existence and durability, i.e. a sustainable economic life in a changing environment (Airoldi et al., 2005). As the *azienda* becomes stable and reaches an economically durable equilibrium, its expectations and goals should progressively change. As soon as this happens, the aims of economic activity must encompass a broader perspective, taking into account social and environmental matters rather than just the economic (Sciarelli, 2007; Gazzola, 2006). However, it is worth noting that as the *azienda* becomes stable and evolves, it could limit value distribution only to the stakeholders directly involved in its activities thereby excluding a large number of people and limiting the benefits for the broader community. Economia Aziendale theory strongly emphasizes that the *azienda* should contribute to the development of the Common Good which consists of creating favourable conditions for the achievement of all the stakeholders' interests.

It is possible to recognise a theoretical intersection between the two theories: on the on hand, the Common Good is the fundamental motivation behind the entities' actions and implies a sense of broader social responsibility; on the other hand, according to Economia Aziendale theory, the stakeholders are interested in contributing to the success of the *azienda* if it is perceived as an institution which ensures improvement for the whole community. The idea underlying the Economia Aziendale theory is that the *azienda* has the chance to develop due to the community's commitment. Thus, it has a moral obligation towards the community itself. Consistent with the reciprocity principle, as the practice of returning good for good, and related practices that are a pervasive feature of human social life (Putnam, 1988) and that the gratuity principle, understood as the practice of gift to fulfil the reciprocity, that characterises the Italian theory, the *azienda* ought to return to the community more than it has received. In other words, the *azienda* must contribute to the enhancement of the Common Good. Thus, the culture of the Common Good is largely promoted by the Economia Aziendale theory as a key value which should influence the whole life and operations of the *azienda* towards the achievement of social and environmental purposes. In this light the *azienda* is assumed to be accountable to the human community. Such accountability involves either a responsibility for undertaking certain actions or for providing a broader account for those actions. In this respect, the Economia Aziendale theory can be seen as a new tool to either implement or explain corporate social responsibility practices, intended as a transparent behaviour based on ethical values (Crivelli, 2001) and on the respect for persons, community and environment (Borzaghi, 2003).

## 6. 'Lessons' for the International Community

What practical guidance can be taken away from this discussion about the Common Good and Economia Aziendale theory?

There are a number of insights from both the Common Good philosophy and Economia Aziendale theory which are not well known outside the Italian context and that can enlighten a new approach to the corporate social responsibility for the international community.

As already outlined, Economia Aziendale theory has been strongly influenced by Catholic social doctrine and therefore appears to be driven by the Common Good. It can be regarded as a new form of practical guidance for the effective application of Common Good principles in business. From a theoretical perspective, the focus on the Italian Common Good-orientated tradition, as a new way to approach corporate social responsibility, is relevant for a number of reasons.

Since the second half of the 20th century a lengthy debate on corporate social responsibility has been taking place, giving rise to a great proliferation of theories, approaches and terminologies. However, the literature highlights that there is still room for theorising (Carroll, 1999; Parker, 2005) and that there is the need for a systematic new theoretical approach to CSR aspects and practices (Garriga and Melè, 2004). Consequently, from a theoretical viewpoint, the international community could benefit from the adoption of the framework of Economia Aziendale theory. Indeed, it is possible to argue that such a theory is able to cover and systematise CSR in a unique approach: all of the different aspects on which each CSR theory focuses. If we consider the four groups of theories as categorised by Garriga and Melè (2004), what appears from a broader perspective is that the main aspects of the CSR deal with:

- objectives that produce long – term profits;
- responsible use of business power;
- integration of social demands; and
- contribution to a fair society.

Concerning the issue of long-term profit orientation, it is notable that the Economia Aziendale theory is based on the concept of durability. The *azienda* ought to endure and reach an economically durable equilibrium (Viganò, 1997), therefore the objectives of the *azienda* are clearly long-term orientated. With reference to the responsible use of business power, it is recognised that the *azienda* is a micro system integrated in a larger economic system that has to consider its stakeholders as opportunities for development rather than as limitations. Consequently, the *azienda* is supposed to exert power in a responsible way, working towards the achievement of goals compatible with those of the stakeholders, and ensure managerial action respectful of social and environmental issues (Schillaci, 1986; Borzaghi, 2003; Salvioni, 2003; Sciarelli, 2007). Since Economia Aziendale theory has been influenced by the strong form of Common Good, it certainly encompasses aspects of integration of social demands and the contribution to the creation of a good society. We can argue therefore that Economia Aziendale theory could be appreciated as a new systematic CSR theory by the international community.

On this basis, it is worth emphasising that the theory has implications for practice. In the literature it is stated that the Common Good of the entity, and indirectly, the Common Good of society should be a fundamental orientation for corporate governance and management (Melè, 2009; Koslowski, 2006). Thus, an effective corporate mission, consistent with the principle of the Common Good, represents a way toward the introduction and implementation of business ethics and CSR practices.

Indeed, the focus on business ethics and CSR practices is particularly relevant because globalisation, liberalisation of markets and rapid technological and scientific developments have dramatically changed perceptions of social life and economic functions. Although corporate social responsibility is an important issue for many organisations, it is too often considered the exclusive prerogative of large businesses (Perrini et al., 2007). However, in an increasingly dynamic context, the fundamental role of SMEs, as well as of public and non-profit organisations (see for example Osborne and Ball, 2010), and their potential contribution to the Common Good of the society through socially responsible behaviours is increasingly evident.

The Common Good approach is significant in an economic context characterised by a large number of SMEs, public and non-profit organisations, and low economic growth, such as in Italy. It relates also to those countries affected by short-term speculation and immoderate utilisation of resources without any social or environmental protection and offers a foundation for triggering a process of change. The Common Good approach, as it is rendered in Economia Aziendale theory, is closely related to the two founding principles – *kyosei* and *human dignity* – of the Caux Roundtable (www.cauxroundtable.org), an international network that works to design intellectual strategies, management tools and practices for strengthening private entity and public governance in order to improve the global community.

Hence, the relevance of Economia Aziendale theory and its principles is not limited to the Italian national context. Its framework may well be exportable and applicable to other countries. The adoption of Economia Aziendale theory values as a general framework for the practical implementation of CSR practices fits a wide range of businesses, sectors, markets and countries. The most important objective of the *azienda* is to create value for the community and to do this it has to focus on both social and environmental issues (Catturi, 2003). From this perspective, Economia Aziendale theory offers a potentially valuable and practical vehicle for the effective application of the Common Good principles in business, with the aim of achieving socially and environmentally responsible management.

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# Commentary: Closing address of the 10th Australian CSEAR Emerging Scholars Colloquium December, 2011, Launceston, Tasmania, Australia.

**Jane BROADBENT**
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I am something of an outsider in the context of CSEAR down under or back home – this is the first time I have attended. So what are my credentials for being here and for commenting on the content of this doctoral colloquium?

First, I am a scholar with something to say and with intellectual curiosity. This is the essential prerequisite for an academic and without it we are nothing. Second, I have a deep interest in the epistemological question of how we develop knowledge of our social world. Third, I have grandchildren and I hope that they will have the opportunity to live out their natural lives and have the opportunity to have their own grandchildren who can also live out their natural lives. To be frank whatever I do to seek to live sustainably is important, but it is more important that the generation that follows me, that is you, not only lives sustainably but finds ways to help others to do this.

I therefore ask the question does what I hear make me optimistic? Well yes and no.

Yes because there are so many of you here today doing good work but this is tempered by a concern. My question is how many of you are asking the questions that will change the world? This Marxian comment crudely suggests it is not enough to understand the world, what is needed to change it.

I wonder if we are all too careful with our scholarship in a world of performance indicators and A* journals. Should we do less 'risk free' work, by this I mean risk free in relation to its scope, simply replicating what has been done before in different time or space? Should we work harder to engage with difficult questions? Are we working hard to work across boundaries and with other disciplines in order to understand how it is that we may build a sustainable and more ethical world that does not pillage either the natural sources or members of other nations or the disadvantaged in our own society?

Easy to challenge, but harder to do. So what can we do; what are my prescriptions? First let us remember that talking to each other is only one element of what we should be doing. We need to communicate with our students, not necessarily in the context of dedicated courses, but embedded in all we teach. We need to communicate to the general public, practitioners and policy makers. We need to talk to them in a language they will understand whilst not downplaying the complexity of what is a wicked problem. We need therefore to publish widely and communicate across different channels.

We need to talk to different disciplines and seriously address the interaction of science and social science. For example, at my own university the Institute of Primate Tourism is looking at the complex interaction of the need of people to make a living in the context of what might be seen as the nuisance of primates. How to change a way of life of a set of humans whilst giving animals space in a way that does not compromise their environment and way of life, whilst enabling tourists to visit whilst not a degrading everything they wish to see....?

Christine Cooper questioned whether it was possible to measure the environment in order to account for it, even when well intentioned. Does measurement simply do violence to that which it seeks to measure? It is a question that remains unanswered.

The question of whether some approaches to CSR have simply legitimated the bad practice of companies remains unanswered to me.

In summary the task has been started but the answers remain elusive. There is much to be done, but you are the ones to take on the challenge. If you are to do this, you need to give close consideration to how knowledge can be generated. It is important to be inquisitive and question the questions you are asking. Do not be safe, go beyond description and understanding what is happening, be questioning, be rigorous, consider significant questions and communicate, communicate, communicate and change the world or lose it.

# Environment extra!

## Why the private sector is holding back on sustainability

*Paul Hohnen is an independent consultant on sustainability issues. He has been a diplomat, international civil servant and a director of Greenpeace International.*

In the run-up to the Rio+20 conference, Paul Hohnen reflects on the main obstacles for businesses that want to invest in sustainable development.

Next year's UN conference on sustainable development in Rio de Janeiro will be my third such event. Already I am torn between disempowering premonitions of a "Rio lite" outcome, which fails to match the substance of its namesake 20 years earlier, and a sense of the historic opportunities it offers.

The 1992 and 2002 conferences were held in a context of rising public and media pressures to address a list of well-documented social, economic and environmental problems. On paper, at least, their outcomes were comprehensive and compelling. Rio's Agenda 21 and Johannesburg's plan of implementation offered a clear (if dauntingly long) list of challenges and responses.

The problem was, however, that few of the political commitments made have been implemented.

Now here we are again, two decades later, with what appears to be a reduced level of collective (including media) concern and little or no political leadership, this notwithstanding a measurably higher level of risk on all fronts. Wherever you look, the bio-physical underpinnings of sustained human welfare and economic growth are becoming more fragile – whether it is climate change, ecosystem meltdown or the build-up of waste. Tipping points are upon us.

So what do we need to do differently this time to improve our odds of surviving the 21st century?

Earlier this year, at the request of the UN Environment Programme (UNEP), I spent some time researching what the business sector had to say about sustainable development. It was informative and merits closer attention, especially by politicians and diplomats.

Surveys of business leaders' attitudes over the last decade show a number of consistent themes. Notably, these include the views that sustainability is a real issue, and not a passing fad; is a "mega-trend" which will increasingly shape business strategy; and is not yet mainstreamed, but is well on the road to being so.

The mainstreaming referenced can be seen at a number of levels, from the growth of wind and solar power, to the growth of socially responsible investments and sustainability reporting, and the increased availability of more sustainable products and services. At a global level, however, most businesses are still far from engaged in any of these things.

So what is holding the private sector back from making a concerted push to sustainability?

Here, the business literature is especially enlightening. When asked about the obstacles to sustainable development, executives' responses commonly highlight the following system challenges.

- **Short-termism**. The constant pressure for shareholder value and quick returns forces business decisions that focus on the near term. This is exacerbated by the investor trend towards investing for shorter periods.
- **Value definition.** At the national and company levels, accounting standards do not even recognise most sustainability issues, let alone reward better sustainability performance. But, as the management saying goes, ‘you can't manage what you don't measure’.
- **Consumer inertia**. What consumers say they want, and what they buy, are two different things. Many companies have rolled out more efficient products (remember the smart car?) only to see a lukewarm market response. Green sells, but only if it's the same price.
- **Regulatory uncertainty**. In most countries, policies to encourage sustainable development (ie through higher prices or incentives) either do not exist or have been unpredictable. Rising public debt problems are now eroding support for many green programmes.
- **Transition pain**. The shift from a brown economy to a green one will inevitably cost jobs. While "creative destruction" has always been a part of economic growth, a broad-based shift away from polluting industries will not always be compensated by net job creation.

Other challenges mentioned by business leaders include: the fact that many necessary technologies are still at a developmental stage (think carbon capture and storage); the need to meet the demands of a growing Chinese and Indian middle class; and the very real political problems everywhere of winning public support for what might be the most economically effective solutions (i.e. a carbon tax).

This time around, the private sector needs to be engaged more substantively in designing the process, since it will be implementing most of them. The list above is a good starting point. Rather than adopting an issue-by-issue approach, we need to help our whole economic system work more effectively to meet human needs.

While it is impossible for a single conference to do everything, next year's Rio conference will make a historic contribution to sustainable development if it calls for policies, practices and frameworks that encourage:

- **Long-term investment** in low-carbon and resource-efficient products and services and the growth of crucial sectors such as education and health care.
- **Measurement and reporting** of every organisation's contribution to sustainable development and reform of national accounts systems to reflect key sustainability indicators.
- **Education and research** about sustainability risks and opportunities.
- **Implementation of existing commitments** (i.e. phasing out of harmful subsidies) and the creation of public dialogues on how to create greener and more just local economies.
- **Integrated public decision-making** which ensures that national economic, trade and environmental policies are consistent, and promotes a stronger business voice in how faster progress can be made towards a greener economy.

The worst thing that could happen now is that we let short-term financial challenges and interests tempt us into repeating the mistakes of a dying economic model. The best course is to seize the enormous opportunities of moving to a more equitable and resource-efficient economy. If we want there to be a long-term, Rio+20 is the place to show that we're doing something about it."

**Source:** http://www.guardian.co.uk/sustainable-business/private-sector-obstacles-sustainability-rio-2012?CMP=

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## PUMA's environmental profit and loss statement

*Tobias Viere, CSM, Germany, 19 September, 2011*

Recently, the sports brand PUMA released a preliminary version of their "unprecedented" environmental profit and loss statement which reveals no profits but a loss of 94.4m Euros.

*Complete Cradle to Gate Approach*

Where does this figure come from? Most likely from the desire to provide managers with one monetary figure on environmental impacts rather than several ecological ones. Together with their partnering organizations Trucost and PwC, PUMA analyzed the water and carbon footprints of their own operations and four supply chain tiers (cradle to gate approach). The ecological results measured in tons of CO2-equivalents and $m^3$ of water have been converted into one financial figure that reflects the full damage caused in monetary terms.

*'One' Environmental Performance Indicator*

Does it ring a bell? This is what *full/true/social cost accounting* is all about. If you like to know more about the concept, you can for instance read this ACCA (Association of Chartered Certified Accountants) publication: Bebbington et al. (2001): Full cost accounting: An Agenda for Action. Or you take a look at the case study on full cost accounting for decision making at Ontario Hydro from 1996 which can be found on the US EPA website. Simply said, full cost accounting satisfies the demand of decision makers for one meaningful environmental performance indicator instead of several and difficult to understand ones on eutrophication, acidification, global warming and so forth.

*Definitely Not Unprecedented*

Why I am bothering you with these antique concepts and old publications? "Unprecedented" seems to be a somehow misleading adjective for PUMA's environmental profit and loss statement. It is rather the reanimation of concepts that are well known among scientists in fields such as industrial ecology, life cycle assessment, ecological economics or material flow analysis, but failed to get sufficient business attention. And business and public attention is what PUMA's profit and loss has achieved already. It is time therefore to stop being a mean wiseacre and to start to hail PUMA for their effort to include externalities into their corporate strategy, accounting, and decision making.

*Ambitious Corporate Sustainability Strategy*

The profit and loss approach underpins PUMA's position as a forerunner in the field of corporate sustainability with ambitious environmental and social targets for their own operations, products and the supply chain. Sustainability is clearly a strategic issue and not a window-dressing one. Hence accounting for the external impacts of PUMA's activities is an important next step in moving towards sustainability.

*How Will They Price Biodiversity?*

I look forward to learning more about PUMA's approach in the future: How will they price environmental and social externalities in the future (biodiversity seems to be a particularly tricky one)? How does this affect corporate decision making and decision makers? Will it be integrated into the ERP environment and linked to top management premiums? Will this eventually lead to a systematic approach to sustainability performance management of operations, products and the supply chain?

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**Source:** http://www.knowtheflow.com/2011/just-one-indicator-please-pumas-environmental-profit-and-loss-statement/#more

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## Accounting bodies release report highlighting how SME companies can profit from sustainability

*Andy Lymer, CIMA, 6 December 2011*

The Chartered Institute of Management Accountants (CIMA), the American Institute of Certified Public Accountants (AICPA), and the Canadian Institute of Chartered Accountants (CICA) have released a comprehensive, international, research report underlining the growing emphasis small and medium-sized enterprises (SMEs) are placing on sustainability as it becomes increasingly crucial to business performance.

'*SMEs Set Their Sights on Sustainability: Case Studies from the UK, US and Canada'*, uses concrete examples to show how smaller companies can lead the market and become champions of sustainable practice. It also reveals how the finance function can play a central role in this process.

The report focuses on nine case studies – three each from the UK, US and Canada – showing smaller companies who are taking different approaches to the same core issues, all using sustainable practices to their advantage.

While compliance with regulatory requirements remains the most common driver of business sustainability, profitability and other strategic factors are increasingly significant. A sustainable business is more robust and more efficient; it appeals to customers' changing values, strengthens relationships with suppliers and positions the brand as a good corporate citizen. It can reduce the variable costs of running a business while driving profitability.

The report builds on a joint survey completed at the end of last year. The survey by the three accounting bodies revealed that 33% of smaller companies involved had a sustainability strategy in place, and an additional 23% had plans to formulate a strategy in the next two years, emphasising that sustainability is a growing priority

Sandra Rapacioli, Head of Sustainability at CIMA, said: “We are seeing a shift in culture. SMEs are looking past survival and recognising that successful sustainability performance translates to long-term success. Many are maximising sustainability practices by also linking them to short-term goals, such as cost efficiency and competitor differentiation.”

One leading UK stationery and business supplies provider is a great example. Initially sceptical, the company has not only reduced energy costs by an average of 5% year-on-year for the last four years, but has also increased sales and profits by differentiating itself as a sustainable supplier.

Sue Coffey, AICPA Senior Vice President, Public Practice and Global Alliance, said: “One of the lessons from the case studies is that finance professionals often play a key role in defining and guiding sustainability strategies, in part because they are used to navigating different parts of a business and keeping an eye on the big picture. It’s one more example of the value the finance function can bring to an organisation.”

By ‘walking the talk’, one US midsize bank has reduced its power consumption by 40% with a solar installation, while maintaining a profitable business model making commercially viable loans to customers financing renewable and energy-efficient projects.

“Collaborative studies provide a valuable snapshot of what is happening across several jurisdictions,” stresses Nicholas Cheung, National Practice Area Leader for Sustainability at CICA. “SMEs are interesting to study because they usually have more agility than large multinationals to make meaningful change and clearly demonstrate the benefits that come with sustainable business practices.”

A multifaceted Canadian food company profiled in the publication maintains that sustainability is beneficial as people are looking for companies that are doing something positive. The company makes a profit, but it also goes into schools to teach children about growing food and making healthy snacks, sources 90% of its produce locally, consults with urban gardeners and funds community projects. The company notes that people are less tolerant of operations just seeking to maximize profit, and are looking for enterprises that are environmentally and socially aware.

In many SMEs, finance professionals play a critical role in formulating and implementing a sustainability strategy. They have the skills and tools required to define the metrics that determine the effort’s goals and progress, and help foster the vital link between investment in the strategy and the commercial benefit that accrues.

'SMEs Set Their Sights on Sustainability: Case Studies from the UK, US and Canada' is available at http://www.cimaglobal.com/sustainability

**Source:**
http://www.accountingeducation.com/index.cfm?page=newsdetails&id=151722

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## New Greenhouse Gas Protocol standards unveiled, which could boost carbon reporting quality and reduce costs

*Malcolm Preston, PwC, 11 Oct 2011*

PwC, the leading professional services firm, welcomes the new Corporate Value Chain (Scope 3) and Product Life Cycle accounting and reporting standards [1], launched by the Greenhouse Gas Protocol [2] recently.

The standards, which expand the scale and scope of current carbon emissions accounting, were developed through a multi-stakeholder process led by the World Resources Institute (WRI) [3] and the World Business Council for Sustainable Development (WBCSD) [4], and included extensive PwC input over the past three years. Business leaders, NGOs, academics, and policymakers were also involved in this multi-stakeholder standards development process.

Malcolm Preston, Global Sustainability and Climate Change leader, PwC, said:

"We expect these standards to be of particular interest to businesses in the aerospace and defence, automotive, industrial products, information technology, retail and consumer, and utility sectors.

"Value chain and product life cycle reporting [5] will allow stakeholders to better assess an organisation's emissions across their entire value chain, which will help optimise purchasing decisions and product efficiency. It is hoped companies will eventually seek to reduce their value chain emissions, increasing material use and product efficiency. As a result, companies will be able to understand and manage activities they influence, not just what they control."

While reporting Scope 3 emissions is optional at this point, increasingly, organisations, government agencies and stakeholders are calling for data around these emissions, for example in annual data requests or Requests for Proposals (RFPs).

Malcolm Preston, Global Sustainability and Climate Change leader, PwC [6], continued:

"PwC's sustainability practice has been closely involved in developing these new standards [7]. They have been designed to promote consistency, transparency, accuracy, completeness and the relevance of carbon emissions reporting [8]. We look forward to a future in which companies and stakeholders better understand their sources of emissions and the impacts of their business activities, and take the necessary steps to reduce them, benefitting businesses and our climate's sustainability at large.

"Companies will have to take care to understand the new accounting and reporting requirements, establish strategies for measuring and reducing their emissions, and develop and implement processes and systems for reporting [9]. The standards also create a platform for stakeholders and companies to work together in a partnership to manage emissions."

**Notes to the statement:**

[1] The full standards are available for download at www.ghgprotocol. org.

[2] The Greenhouse Gas Protocol is a global collaboration led by WBCSD and WRI. It provides the foundation for sustainable climate strategies and more efficient, resilient and profitable organizations. GHG Protocol standards are the most widely used accounting tools to measure, manage and report on greenhouse gas emissions.

[3] The World Resources Institute is a global environmental think tank that goes beyond research to put ideas into action. WRI works with governments, companies, and civil society to build solutions to urgent environmental challenges, see www.wri.org

[4] The WBCSD is a CEO-led, global coalition of some 200 companies advocating for progress on sustainable development. Its mission is to be a catalyst for innovation and sustainable growth in a world where resources are increasingly limited. The Council provides a platform for companies to share experiences and best practices on sustainable development issues and advocate for their implementation, working with governments, non-governmental and intergovernmental organizations. www.wbcsd.org

[5] The Corporate Value Chain and Product Life Cycle Standards were developed with input from business leaders, NGOs, academics, and policymakers. More than 2,300 participants from 55 countries contributed to the process and 60 companies road tested the new standards.

[6] PwC was part of this collaborative process – the firm was on the steering committee, was involved in the group that established Scope 3 requirements, provided technical input into a number of working groups, pilot tested assurance for companies involved in road testing these standards, and provided significant input into the chapter on assurance in each of the standards.

[7] The new standards will especially impact companies in many areas, including those with extended upstream supply chains or where downstream product use creates emission. The Corporate Value Chains Standard will expand stakeholder expectations on what company emissions should be reported. This moves the focus from emissions generated within a company's control and immediate scope of influence, to include emissions generated by a company's extended upstream supply chain and downstream product use (also known as Scope 3 emissions). Examples of extended supply chain activity are purchased goods and services, business travel or waste generated in operations. Downstream may include downstream transportation and distribution, product use and downstream leased assets and franchises.

[8] The Product Life Cycle standard, meanwhile, will expand stake-holder expectations on measuring carbon emissions generated throughout the whole value chain including raw material sourcing, production, product use and end of life.

[9] Scope 1 and Scope 2 of the standards focus on the emissions generated *directly* by a company and within its control (e.g., within its facility boundaries) and *indirectly* eg via electricity consumption. The Scope 3 Standard will have an impact on companies with extended upstream supply chains, leased and franchise operations or where downstream product use creates emissions. By developing a full corporate Greenhouse Gas (GHG) emissions inventory – incorporating Scopes 1, 2 and 3 – companies are able to understand their full value chain emissions impact and focus on the greatest GHG reduction opportunities

**For more information contact:**

Elizabeth Faulkner, Assurance and Corporate PR, PwC.

**Source:** http://www.ukmediacentre.pwc.com/News-Releases/New-Greenhouse-Gas-Protocol-standards-unveiled-which-could-boost-carbon-reporting-quality-and-reduce-costs-1117.aspx

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## Failure is not an option for global climate change talks

*David Nussbaum, Chief Executive of WWF-UK, 21 September 2011 This content is passed on courtesy of Guardian Professional*

Ahead of the Durban climate change summit, world leaders are demanding quicker action to avert catastrophe

Speakers at B4E called for a clean revolution to create jobs, strengthen economic growth, and secure a better future for all.

The B4E Climate Summit, which took place in London last week, closed with a determined statement of intent – and a warning. Ambassador NJ Mxakato-Diseko, the South African ambassador at large to the UN Framework Convention on Climate Change (UNCCC) talks in Durban later this year, will announce at Durban that failure is not an option.

Diseko, who spoke on the closing day of the London summit, emphasised the necessity of making progress at the UNCCC talks to avoid a "collapse of the system". In doing so, he highlighted the vital importance of the talks in tackling the serious threats posed by climate change.

It probably comes as no surprise that here at WWF we agree with the ambassador. But the message coming out of the B4E Summit, organised by Global Initiatives in partnership with WWF and the World Business Council for Sustainable Development (WBCSD), might surprise people who assume that the standard view in the business world is that there is no compelling case for urgent action, that the costs of tackling climate change are too high, and that we can carry on with business as usual.

The very clear message from more than 250 high-level business, NGO and civil society leaders was that governments and international negotiators at Durban must deliver transparency and regulatory certainty to help businesses facilitate the transition to the green economy.

Indeed, delegates went further, offering widespread support for a strong drive towards much greater resource efficiency and endorsing a WWF call for 100% renewable energy by 2050. There was also common agreement that the private sector response to the threat of climate change is often moving further and faster than that of governments around the world. The summit heard speakers argue that governments must recognise that the collective ambition of pledges on the table falls short of meeting the objective of keeping global warming below 2C.

To cut global emissions and avert climate catastrophe, a rapid and massive scaling-up of transformative policy solutions must be implemented immediately, with businesses adopting a more comprehensive approach to climate change, one that includes an ambitious transition to renewable energy use, and places higher priority on natural resource efficiency.

This clean revolution will create jobs, strengthen economic growth, and secure a better, more prosperous future for all. Speakers at the summit argued that concerted governmental and inter-governmental action can leverage a stronger private sector response, and more substantial flows of capital to projects which offer the potential to contribute to long-term sustainability.

It would be naïve, however, to pretend that there are not strong vested interests and countervailing forces that are holding back action on climate change. Some, such as energy investors, were highlighted by the Carbon Tracker Initiative, which recently highlighted the potential "carbon bubble" carried by the world's financial markets. These are fossil fuel-based assets which are largely unusable if the world is to avoid dangerous climate change – yet collectively, the world's investors are banking on them being usable and valuable.

Carbon Tracker estimates the proven fossil fuel reserves owned by private and public companies and governments are equivalent to around 2,800 billion tonnes – a figure that will derail the world's remaining carbon budget. It estimates that only 20% of these reserves can be burned safely. The world's economy, however, attaches great financial value to these increasingly unusable assets, and rewards their ongoing exploitation.

Energy-intensive sectors are lobbying against regional leadership on climate change on the grounds of competitiveness, a resistance which has undoubtedly been a significant factor in undermining the political will to act and has contributed to deadlock in the international climate talks. We're calling on these energy-intensive sectors to change tack, to lobby in favour of positive action, and to demonstrate genuine and credible delivery of low-carbon solutions. If they do this, then we could look perhaps at some kind of support to mitigate any short-term commercial disadvantages they might suffer.

Lastly, energy providers also need to recognise that continuing in the expectation that fossil fuels will make up a significant part of the energy mix in the middle of this century will surely result in dangerous levels of global warming. In addition, as well as encouraging reorientation and enlightenment among them, let's also look out for the new emerging energy majors this century – those who embrace energy and climate security – and ensure the right policy frameworks are in play for them to flourish in a new green economy.

The stakes are high for the Durban talks and the window of opportunity for effective action to be taken to tackle dangerous climate change is rapidly closing. While WWF recognises that agreeing on a global course of action via the UNFCCC process is a huge challenge, it's also clear that there is optimism and an appetite to address this challenge. It was expressed unequivocally at the B4E Summit and events like it.

The time for action is now – and we must take it.

**Source:**
http://www.guardian.co.uk/sustainable-business/blog/global-climate-change-talks-business-b4e-wwf

## Are Asian firms finding more supply chain value?

*MinGu Jun, Divisional Director, Two Tomorrows Asia, 26 October 2011*

The shared value approach of Asian firms shifts the business driver for sustainability toward mutual growth concepts

Until recently, the received wisdom was that European companies led the way in sustainability. Not anymore. Now some of the best examples of responsible supply chain development are to be found in Asian companies. Sustainability is no longer merely a box-ticking exercise required by large western companies; it is a shared-value practice whereby the Asian manufacturer has clear business incentives to be more sustainable.

Controls and risk management? Or sharing value with business partners? We saw these two different approaches in supply chain management while looking at the wider value chain in the course of our research for the 2011 Tomorrow's Value Rating (TVR).

The last decade saw enormous effort put into command and control structures. This stemmed from the primary business driver for responsible supply chain development: risk mitigation and protecting the brand reputation. The results were control mechanisms like third party audit systems; contract language requiring adherence to regulations and international standards; supplier training on environment, safety, human rights; and draconian measures to drop suppliers if they violated terms.

By contrast the shared value approach that we have seen most commonly in Asian companies shifts the business driver for sustainability in the supply chain away from risk management toward mutual growth concepts. The result is that management mechanisms with suppliers are also shifting. Now we see leaders pushing on shared business models and revenue-sharing models, collaborative efforts to streamline production and logistics for cost savings, and providing strong incentives for good performance in sustainability.

The likes of Toyota, Hyundai Motor Company (HMC) and Samsung clearly demonstrate their attempt to find a sustainable solution in their supply chain management.

The concept of mutual growth is well discussed in HMC's Win-Win supplier support programme. The interesting point is that HMC developed a support programme to increase suppliers' economic stability through various financial programmes. For example, under the mutually beneficial cooperation strategy, its cash payment policy aims to guarantee payment to increase the financial stability of suppliers. Various loans including credit loans for operation funds, the Mutually-Beneficial Cooperation Fund and the Bridge Loan for Green Production Facilities are available to support suppliers. Also, through a joint purchasing programme, HMC aims to assist suppliers with cost cutting.

Another example of mutual trust can be found from Samsung. Samsung set up the Partner Collaboration Centre directly under the CEO, and their vice-president is the head of the centre. Seven key programmes for mutual growth are introduced including a Win-Win fund for partner companies, timely reflection of raw material price changes in parts purchasing prices and expanding support to indirect suppliers.

Critics might argue that these cases are mainly driven by local government pressure rather than sustainability enlightenment. They may also argue that specific, and measurable, benefits to suppliers are unclear and sometimes regarded as another way of keeping business benefits within a group of interlinked companies – so called "blue-washing". The TVR clearly shows that there is plenty of room for improvement in many of these companies' overall sustainability approaches. Nevertheless we see encouraging signs of a new approach to value chain management alongside the traditional controls/risk management approach – and believe this is one to watch.

**Source**: http://www.guardian.co.uk/sustainable-business/blog/asian-companies-supply-chain-value

## Mission New Energy earns Europe's first International Sustainability and Carbon Certification

*31 October 2011*

Mission New Energy has been recognized for its unique "Mission Model" of contract farming with the award of the EU's first-ever commercial scale International Sustainability and Carbon Certification (ISCC). Long time Biofuels Digest readers know that this award caps one of the great founding stories of 21st century business and honours the determination of Mission CEO Nathan Mahalingam and his "extended family" of farmers never to give up on Jatropha despite repeated crop failures and excoriating criticism from the very same EU that is now honouring his achievements.

Mahalingam worked without pay for months at a time alongside his farmers, sleeping on the ground, sharing their lives, hearing their frustrations and aspirations, far from the nearest telephone and contact with his family back home. He found a way around every obstacle, some of them radical departures from previous practice. He had to, not just for himself but for them. Sorry, Mission wannabes, but you can't phone that in.

Contract farming Mission-style is a social contract that could easily stand on its own as a humanitarian achievement. It gives some of India's poorest farmers a path to education, entrepreneurship and upward mobility in a nation where status is still determined largely by caste. It has resulted in an unprecedented grassroots expansion of the model all the way up into Assam with no sign of stopping. It would not be far off the mark to call it a social revolution. And it's a wired social revolution.

From the beginning Mahalingam wanted his farmers to be able to view real time tests powered by the Jatropha they produced. The first one took place less than a month after the company's initial delivery to Australia. Since then, Mission has connected farmers directly into its head office network. Throw in old-fashioned benefits like education and healthcare, college scholarships, and the contest for Mission's first home-gown CEO, and you have a business model likely to endure into the next century.

**Source:** Biofuels Digest Asia Edition
http://biofuelsdigest.com/asia/2011/10/31/mission-new-energy-earns-europes-first-international-sustainability-and-carbon-certification/

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## Dane puts wind up subsidies

*Marcus Priest, The Australian Financial Review, Print edition: 21 Nov 2011*

Australia has shown leadership in pricing carbon and other G20 nations will follow, but it needs to phase out fossil fuel subsidies, according to the president of the largest global wind-power company.

Visiting Australia as part of group of Danish companies accompanying Denmark's crown prince and princess, Ditlev Engel said Australia's efforts had been noticed at an international level.

"The fact that one of the G20 members has taken a stand ... we will see other G20 members following suit," said Mr Engel, convenor of the G20 business green growth forum.

Mr Engel backed controversial plans by the federal government to finance clean energy technologies.

Denmark is regarded as a leader in wind technology and gets over 20 per cent of its energy from wind, 20 years after the Danish government decided to support the sector.

Vestas, valued at over €2 billion ($2.7 billion), has installed over half of the 2000 megawatts of Australia's wind-generating power capacity.

"The reason why we have the wind industry in Denmark is it started with the big oil shock in the 70s ... and secondly in the mid-80s Denmark did not want to embrace nuclear. There is no doubt that the Danish government's involvement has been very important," Mr Engel said.

In Australia, green groups and the renewable energy sector have called for the end of fossil fuel subsidies, highlighting recent reports on the privatisation of NSW "gentrader rights" which found the state government had underwritten the sale by guaranteeing a cheap coal supply to buyers.

The International Energy Agency's latest report found fossil fuel subsidies had increased since 2009 by nearly 25 per cent to $440 billion.

The report warned if major action was not taken by 2017, a temperature increase of 2 degrees could not be avoided.

"Every dollar we postpone on energy transformation will cost us $4 after 2020," Mr Engel said.

In recent months, the European Union carbon price has fallen to around $13 a tonne. Mr Engel said it needed to be at least $33 to make clean energy cheaper than new coal power stations. The Australian price will be $23.

He said the EU's commitment to a 20 per cent reduction in emissions by 2020 and possible moves to increase it to 30 per cent was likely to have an impact on the carbon price.

Germany's decision to phase out nuclear power would also affect the EU carbon price.

**Source**:
http://www.afr.com/p/national/dane_puts_wind_up_subsidies_BI1LcKD3otA3llMfo0NzZL

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## Prince Philip slams onshore wind turbines as a 'fairytale'

*Carys Matthews, 21 November 2011*

The Duke of Edinburgh has unleashed a scathing attack on the UK's wind turbine industry, calling onshore wind farms a "disgrace".

The comments were made by the Duke during a conversation with Infinergy, a company which builds and operates turbines at a reception in London.

According to Infinergy's managing director Esbjorn Wilmar, Prince Philip said that onshore wind turbines are "absolutely useless, completely reliant on subsidies and an absolute disgrace".

Mr Wilmar added that his view that onshore wind farms are one of the most cost-effective forms of renewable energy was slammed by the Prince, who said they would "never work as they need back-up capacity".

It is thought the Duke's main complaint against onshore wind farms is their reliance on subsidies and the fact that they are considered by critics to be an eyesore and a cause of noise pollution.

However, the Royal Family's £7bn land and property portfolio the Crown Estate, which owns almost the entire seabed off Britain's coastline, is set to earn millions of pounds from offshore wind farms.

A subsidiary of Dutch company KDE Energy Infinergy says it has plans in place to build a number of onshore farms across the country and claims that its onshore turbines rely less on subsidiaries than offshore turbines as the construction costs are less.

The use of onshore wind farms was debated by MPs earlier this year (February 10), with the energy minister Charles Hendry saying that wind power should be a part of the UK's energy portfolio.

Many communities have opposed the building of farms in their area arguing against the visual and noise impact the turbines would cause. However, Mr Hendry argued that wind power has many cost advantages, including the security of supply that fossil fuels don't provide.

Speaking at the annual renewable conference last month (October) energy secretary Chris Huhne criticised renewables skeptics, saying that the government is backing renewable industries and aims to make the UK the largest offshore wind market in Europe. The UK currently has a total of 3,421 turbines, with 2,941 onshore and there are proposals in place by the Government to build a further 4,500.

However, edie blogger and retired scientist Richards Phillips disagrees with claims made by the Department for Energy and Climate Change (DECC) that the UK has "outstanding" wind resources, arguing that winds below 8-10mph produce "no significant amount of electricity".

Results from a MET office histogram, says Mr Phillips show that in the UK the wind blows at 14 mph for slightly less 40 days per year, which he adds at this speed the turbine is producing about 20% of its full power.

The Buckingham Palace Press Office said the Duke would not be commenting on the conversation.

**Source:** http://www.edie.net/news/news_story.asp?src=nl&id=21352

# Call for papers

## Accounting Auditing & Accountability Journal

Special Issue on Accounting for Biodiversity

**Guest editors: Prof Michael John Jones *(Bristol University, UK)* and Prof Jill Frances Solomon *(King's College, University of London, UK)***

**Submission deadline: 28 January 2012**

Erosion of the world's biodiversity is widely recognised as one of the greatest current threats to the planet. Although there has been some consideration by the accounting community of climate change, particularly relating to greenhouse gas accounting, there has been practically no recognition or appreciation of the critical role of accounting in calling multinational corporations, governments and other organisations to account for their contribution to the biodiversity crisis. Our planet is presently experiencing a sixth period of mass extinction of species, which is thought to be more severe than those of earlier periods in geological time. Biodiversity plays a key role in economic development, providing ecosystem services, and indeed in the survival of the human race. However, adopting a non-anthropocentric view, the intrinsic value of biodiversity is also crucially important from a moral and ethical standpoint. Given the self-evident importance of biodiversity and its current neglect by accounting researchers, this special issue seeks to focus attention of the academic accounting community on this key global issue. We take an eclectic view of accounting for biodiversity and seek contributions on accounting, accountability and assurance issues concerning biodiversity. We encourage submissions on:

- valuation of biodiversity including species and ecosystems
- reporting and disclosure issues
- assurance of biodiversity reporting
- theoretical frameworks relating to biodiversity accounting
- rationales underlying the need for companies to actively protect, conserve and improve
- biodiversity within their sphere of operation
- biodiversity governance and accountability mechanisms
- biodiversity risk and risk management
- interdisciplinary aspects of biodiversity accounting
- the emancipatory potential of biodiversity reporting

- institutional relationships and their impact on biodiversity accounting
- the response of private, public and third sectors to the need for biodiversity accounting

We would stress that given the embryonic nature of research in this area that the above list is merely indicative rather than exhaustive and that submission on other biodiversity topics are welcome. Papers can be theoretical, empirical or methodological in nature. They can adopt a historical or contemporary perspective.

The submission deadline for this special issue is **28 January 2012**.

Manuscripts should be sent electronically by email (in a word file format) to the guest editors Mike Jones and Jill Solomon (michaeljohn.jones@bristol.ac.uk; jill.solomon@kcl.ac.uk). All papers will be reviewed in accordance with AAAJ's normal procedures.

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## Pacific Accounting Review

Special Issue on Sustainability Accounting

**Guest editors: Dr Charl de Villiers *(University of Auckland, New Zealand)* and Prof Chris van Staden (*University of Canterbury, New Zealand*)**

**Submission deadline: Abstracts: 31 January 2012; Full papers: 31 May 2012**

Sustainability accounting addresses one, if not the major, social issue of the day. The concept means different things to different people and this is reflected in the different names used, such as social and environmental accounting, triple bottom line accounting, emissions accounting, etc. Social and environmental issues are attracting greater political and media attention, reflecting increased social awareness. Lately, the spectre of integrated reporting has been raised: organisations will soon have to disclose economic, social and environmental issues in an integrated way. At present, there is no consensus on how such integration might be effected. These and other current sustainability accounting issues makes this an exciting and dynamic field of research.

The *Pacific Accounting Review* (PAR) plans a special edition, to be published in late 2013, which examines issues in sustainability accounting and reporting. The guest editors welcome all styles of paper that contribute understanding to this field of study. As such, we welcome critical pieces and theoretical reviews, as well as empirically-based qualitative and quantitative studies. The main requirement, as is the case for all work appearing in *PAR*, is that the research must be academically rigorous, showcasing high levels of theoretical justification or development, analytical precision, and writing proficiency.

The following list offers a guide to some of the topics and methods likely to feature in the special edition:

- integrated reporting
- preference for mixed research methods
- preference for innovative research methods or topics as well as inter-disciplinary research
- integration of management control systems and reporting
- accountability and transparency in sustainability reporting
- demand for, and incidence of, voluntary assurance of sustainability reports
- broad range of organizations and stakeholders, for example, listed corporations, small and medium enterprises (SMEs), public sector entities, non government organisations (NGOs), and not-for-profit entities.

**Submission procedure**

Interested authors are encouraged to submit extended abstracts (about 1,000 words) by 31 January 2012. These abstracts will undergo a review by an expert in the field of sustainability accounting. It is expected that this feedback will better prepare and help guide authors for submitting their full paper for editorial consideration by the due date of 31 May 2012. Regardless of whether an extended abstract was previously submitted, any author may submit a full paper by the 31 May 2012 due date. Full papers will be subject to *PAR*'s customary editorial review procedures. Papers not selected for inclusion in the special edition may, at the discretion of the author(s), be forwarded to the regular editors of *PAR* for consideration and inclusion in a future issue of *PAR*.

All submissions must be original work and not work that is currently under submission at other journals. Please send abstracts and/or papers in Microsoft Word format by email to the guest editors: Charl de Villiers or Chris van Staden.

**Important dates**

Submission of abstracts: **31 January 2012**
Submission of full papers: **31 May 2012**
Publication date: **September 2013**

**Submission**
All inquiries and submissions should be sent to: *PAR* Guest Editors – Sustainability Accounting

Source:
http://www.emeraldinsight.com/products/journals/call_for_papers.htm?id=3507

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## Social and Environmental Accountability Journal

Special Issue on Social and Environmental Accounting and Policy Making

**Guest editor: Prof Jan Bebbington *(University of St Andrews, UK)***

**Submission deadline: 29 February 2012**

Owen et al., (1997) suggested that both administrative and institutional reforms are required to ensure that social and environmental accounting is effective. Administrative reforms address the way in which accounting, auditing and reporting activities are undertaken (including the development of new forms of accounting practice). In contrast, institutional reforms relate to the rules that govern the production and dissemination of information as well as underlying behaviours themselves. Therefore, as one seeks to reshape both forms of account and the context within which these accounts are produced some engagement with the world of policy making will be required.

This special issue focuses on the issue of policy making and calls for reflections (based on empirical or conceptual investigations) into policy making practices (in their broadest sense) and experiences in the area of social and environmental accounting. Issues that might be considered in this context include:

- company law requirements (and any reviews or modification of company law)
- stock exchange listing requirements
- investor initiated disclosure requirements (such as the Carbon Disclosure Project)
- accounting standard setting activities (and related groups such as the Carbon Disclosure Standards Board and the International Integrated Reporting Committee)

- private regulatory/policy activities (such as that of the Global Reporting Initiative, Institute of Social and Ethical Accountability and the Equator Principles)
- policies of professional accounting bodies (including educational/accreditation practices), and
- policy approaches that implicate social accounting practices (such as a reliance on Social Return on Investment to allocate public funds).

Moreover, we would be interested in hearing reflections on the engagement of accountants in broader policy making processes as well. Further, given the variety of policy processes that emerge across the globe, we wish to publish paper with a wide geographic spread.

Authors interested in contributing to this Special Issue of *SEAJ* should send papers for review to: csear@st-andrews.ac.uk **no later than 29th February 2012.**

Authors are encouraged to contact the Guest Editor to discuss proposed topics.

Contact Jan Bebbington, University of St Andrews

Email: kjb10@st-andrews.ac.uk

### References

Owen, D, Gray, R & Bebbington, KJ 1997, 'Green accounting: Cosmetic irrelevance or radical agenda for change?', *Asia-Pacific Journal of Accounting,* vol. 4, no. 2, pp. 175–198.

## Sustainability Accounting and Management Policy Journal

Special Issue on Sustainability Accounting for the Industrial Use of Biomass

**Guest Editors: Prof Dr Stefan Schaltegger *(CSM, Leuphana University Lüneburg, Germany),* Prof Roger L Burritt *(CAGS, University of South Australia, Australia)* and Prof Rob Bailis *(Yale University, USA)***

**Submission deadline: 29 February 2012**

The environmental impacts of oil use are increasing and oil reserves are decreasing. This has led to the development of plant oil based biofuels such as bioethanol, biodiesel, biokerosene. Plant oils, such as palm oil, soy oil or rape seed oil, have furthermore “conquered” global food and cosmetic production.

However, biofuels have been heavily criticised for not necessarily guaranteeing positive ecological or social benefits. Conflicts have been reported between agribusinesses, local communities and smallholder farming discussed as “fuel versus food” and “land grabbing”. In response, numerous sustainability certification schemes and guidelines have emerged, leading to a complex set of regulations and standards. LCAs, however, have indicated substantial reduction in emissions if producers follow good land use practices.

It is thus timely to analyse the relevant factors which influence whether, under which conditions and with which production systems biofuels can actually create a real contribution to a more sustainable or less unsustainable oil based economy.

Accountants face a new set of challenges to account for and communicate the issues of plant oil production for key stakeholders such as airlines, the food industry, or agricultural supply chains. Conventional accounting systems and lifecycle assessments face unprecedented physical and monetary measurement challenges. Management accounting will be critical to providing internal decision support for managers, non-government organizations and governments to identify, measure and prepare information that assists decision makers about the industrial use of biomass. Issues about units of measurement, data quality and its sources cannot be neglected if purpose-orientated information is to be provided.

Accounting for sustainability performance is critical because, if biofuels and plant oil production systems are not confirmed to be sustainable, redesign of current paths of development would be necessary.

Issues to be addressed in submissions could include, but are not limited to:

- sustainability accounting, accountability and reporting of plant oil production and related agricultural systems, incl. supply chain issues and comparison with conventional fuels, oils and fats
- case studies and empirical analysis of plant oil and biofuels
- analysis of fuel versus food issues, or large agribusiness versus smallholder farming issues, etc.

- methodological issues of sustainability performance measurement, accountability and reporting, incl. environmental impact assessment, LCA, LCC, EMA and other methods
- stakeholder issues in the assessment and reporting of the sustainability of biofuels and plant oils
- comparative case studies with biofuels and plant oils used in transportation (including aviation, shipping and road transport), or the food and cosmetics industry
- assessment of emerging sustainability certification systems and their relevance for EMA

For a more encompassing Call for Papers see:
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## Accounting, Auditing & Accountability Journal

Special issue on Social accountability and stakeholder engagement for sustainability: Shaping organisational change in higher education?

**Guest Editors: Dr Christian Herzig, Dr Jasmin Godemann, Prof Jeremy Moon (*University of Nottingham, UK)* and Prof Jan Bebbington (*University of St Andrews, UK)***

**Submission deadline: 31 July 2012**

Higher education institutions are increasingly called upon to play a leading role in moving all of us to a more sustainable future. They create economic, social and environmental impacts as they educate students, provide research, strengthen communities, operate their campuses and business, and influence behaviours that form today's and future society. It is a somewhat curious omission that higher education institutions have lagged behind other private and public organisations in being accountable for their social impacts for a long time. However, in the last few years there has been considerable progress in the way higher education institutions approach issues of social responsibility in education, research and their organisation. There is also an increasing understanding of public disclosure needs in relation to sustainability. Much less is known, however, about the linkages between the processes of social accountability and the level of organisational change within higher education.

This special issue calls for contributions that investigate the logic of higher education institutions for adopting social accountability and stakeholder engagement techniques to foster organisational change. It intends to provide a platform for discussion and research into organisational and practical barriers to implementation of social accountability processes within higher education institutions and the implementation and effectiveness of different forms of stakeholder engagement. In this way, the special issue is expected to provide new fruitful insights into the links between 'university social responsibility', social accountability, stakeholder engagement, and organisational change for sustainability.

Some research questions that might be addressed in this special issue include, but are not limited to, the following:

- how can organisational change in higher education institutions be initiated and/or supported through social accountability processes and stakeholder engagement?
- what are higher education institutions' logics for adopting social accountability and stakeholder engagement techniques to foster organisational change?
- how can the relationships between the kind of learning process and the level of organisational change be described?
- what mechanisms promote and enhance social accountability and stakeholder engagement?
- what are the limits of these mechanisms and how might these challenges be revolved?
- what constitutes engagement with stakeholders and how do different forms of stakeholder representation and engagement affect different aspects of organisational change?
- what are cultural and organisational barriers to the communication between stakeholders engaged in the social accountability process and to the overall change process and how might these be resolved?
- how do individuals interact around and through forms of social accountability systems?

This special issue is open to papers from different academic disciplines that are theoretical, conceptual, or empirical in nature and present new insights and innovative ideas on the role of social accountability and stakeholder engagement to foster organisational change in higher education.

Please note that this is not a call for papers on education for sustainable development. Our interest is in organisational responses to the challenge of sustainable transformation and the role of social accountability and stakeholder engagement processes therein.

**Submission Instructions**

The submission deadline for this special issue is **31st July 2012**.

Manuscripts should be sent electronically by email (in a word file format) to Guest Editor: Dr Christian Herzig christian.herzig@nottingham.ac.uk.

The editors welcome enquiries and declarations of interest in submitting as well as earlier submissions. All papers will be reviewed in accordance with AAAJ's normal procedures.

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## Journal of Accounting & Organizational Change

In addition to regular journal articles, the *Journal of Accounting & Organizational Change* also has been publishing doctoral research abstracts since 2008.

The Doctoral Research section publishes materials from recently completed (not more than five years old) doctoral research in an extended abstract form in the areas of organisational and accounting change in all branches of accounting: auditing, financial accounting, public sector accounting, social and environmental accounting, and management accounting.

The abstract should not be more than 500 words. It should include the following: (1) the dissertation title, (2) the research purpose, (3) design/ methodology/approach, (4) findings, (5) research limitations/implications, (6) practical implications, (7) originality/value, (8) keywords, and (9) discipline area (auditing, financial accounting, management accounting, public sector accounting, social and environmental accounting; not-for-profit accounting, organizational studies/management, etc.).

Authors need to submit their work online using the following link:

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