Motivating and mobilising stakeholder reshaping of corporate climate behaviour: a conceptual framework

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The problem

• ‘There’s no business to be done on a dead planet’  (David Brower)

• How unions and employees influence corporate behaviour on seemingly non-industrial issues is unclear.

• Other stakeholders include other capitals themselves (in particular, finance capital), and civil society (eg NGOs). Their influence may be critical but is also unclear.
Primary research question

• What factors motivate and mobilise effective stakeholder influence on corporate climate behaviour?
Significance

• Special aspects of climate crisis
  – Lack of geographic specificity (unique dispersion)
    ➔ Importance of pricing alongside direct regulation
  – Geographic ubiquity (terminal inescapability)
    ➔ Conflicts within capital
    ➔ Points of leverage

• Stakeholders seek influence - but different models and ideologies of coordination amongst corporations and stakeholders
  • disciplined collective action
  • voluntaristic collective action
  • marketisation (voluntaristic quasi-individualistic action)

• The stakes are huge
  Carbon externalities for centuries
  ➔ Heightens the conflicts within & between capital and labour
Key sub-questions

1. What motivates and influences stakeholders?
2. What determines whether and how stakeholders seek to influence corporate climate behaviour?
3. How can and do stakeholders coordinate and mobilise to influence corporate climate behaviour?
4. What public policies are necessary to facilitate climate-friendly stakeholder influences on corporate climate behaviour?
Towards a ‘theory of climate stakeholder mobilisation’

4 levels of engagement
(for all actors, but varying between them)

1. Ignore/denial
2. Public relations / tokenism
3. Passively engaged
4. Actively engaged
Objects of analysis

1. Employees / organised labour
2. Corporate management
   – Executives/boards
   – Line managers
3. Investors & fund managers (finance capital)
4. Activist groups
   incl consumer, environmentalist NGO groups, denialists (incl business-funded)
5. The state
On the actors

– Labour
– Owners and finance capital
– Civil society activists (think tanks, NGOs and lobby groups)
Labour
Representative participation and climate change: the policy level

• Representative participation a key aspect of climate change mitigation in EU and elsewhere
• Includes through joint consultative committees, OHS committees, and dedicated ‘environmental delegates’ and ‘green representatives’ (UK TUC campaign developed 1300 green workplaces reps)
• Works councils in Germany
• Though still relatively uncommon, collective bargaining has also played a role in climate change mitigation – UK and German collective agreements in this area
Australian workplace practices

• Most organisations have reduced emissions, mainly to reduce costs & most have some means for employee voice in this

• But few engaging in wide range of carbon emission behaviours, including major carbon emitting sectors, & voice predominantly consultative (shallow & narrow) & collective bargaining role very limited

• 2013 survey by R. Markey & team at Centre for Workforce Futures, Macquarie University: [www.businessandeconomics.mq.edu.au/__data/assets/pdf_file/0014/336101/Climate_Change_and_The_Australian_Workplace_2014.pdf](http://www.businessandeconomics.mq.edu.au/__data/assets/pdf_file/0014/336101/Climate_Change_and_The_Australian_Workplace_2014.pdf)

• Bibliometric database on work and climate change: [www.refworks.com/refworks2/?site=045131181275200000%2fRWWEB104795896%2fClimate+Change+%2c+Work+and+Employment+International+Database](http://www.refworks.com/refworks2/?site=045131181275200000%2fRWWEB104795896%2fClimate+Change+%2c+Work+and+Employment+International+Database)
Lessons from Australian study

- Strong association between more substantial reduction behaviours & substantive employee voice, mainly representative but also direct
- The education and training sector, particularly universities, & public administration provide exemplars whereby a strong input from employee participation, facilitated in part by union action and collective bargaining, may help organisations to develop and implement a more comprehensive program of climate change mitigation.
- Key potential role for unions
Finance capital

• Does anyone in finance capital care?  Why (not)?
• How do those fractions of finance capital that have an interest in dealing with climate change seek to do so, and what differentiates their potential responses?
Method

• Seven interviews with ten key players in ‘climate finance’
• Supplemented by data from our Finance and Climate Database (FCD) comprising 30,840 linked records on world’s 283 largest (‘target’) companies
• See
On motivations:
• new landscape from financialisation ➔ a struggle for power within finance
  – increasing focus on short term horizons
  – but also emergence of CII s
    • up to >1/3 of shareholding capital in VLCs
    • Including > 1/20 of shareholding capital held by ‘highly engaged’ CII s
  – Balance of power presently with short-term
• CII s vary substantially in enthusiasm. Action may be influenced by:
  – demand for investment services
  – impacts on investment returns
  – internal and external agency
  – investment context

RegulaJon

Changes in investment behaviour (‘what?’, ‘when?’)

Internal structures and agency

Internal & external relations

Networks and external bodies

Regulation

Context for investment

Culture

Client structures and interests

Demand for investment services

Returns on investment

Direct return impacts (industry, etc)

Indirect return impacts

<table>
<thead>
<tr>
<th></th>
<th>NONE</th>
<th>LOW (CII)</th>
<th>HIGH (CII)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distinct organisational unit</strong></td>
<td>Related to PR area, no real power</td>
<td>With lobbying role &amp; influence</td>
<td>With power within organisation</td>
</tr>
<tr>
<td><strong>Databases on GHGs &amp; targets</strong></td>
<td>No</td>
<td>Might use external</td>
<td>External &amp; internal</td>
</tr>
<tr>
<td><strong>GHG reputation effects factored into decision making</strong></td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>GHG issues integrated into <em>formulae</em> for investment decision making</strong></td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>GHG-related performance management systems</strong></td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Public relations</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Decision to invest or not invest in particular targets</strong></td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Lobby target boards &amp; CEOs</strong></td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Lobby governments</strong></td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Move or vote on shareholder resolutions</strong></td>
<td>No</td>
<td>Sometimes</td>
<td>Sometimes</td>
</tr>
<tr>
<td><strong>Coordinate with other parts of finance capital</strong></td>
<td>No</td>
<td>Weak via CINGOs*</td>
<td>Weak via CINGOs*</td>
</tr>
</tbody>
</table>

CINGO = climate investor NGO (eg CDP, PRI, IIGCC)
Lessons from finance

• CIIIs internal & external actions vary with their intensity of engagement. Variations relate to:
  – status & power of specialist organisational units
  – Mechanisms for incorporating GHG issues into decision making and rewards
  – Extent to which decisions are influenced by GHG concerns
  – Extent of engagement with target companies on GHG issues

• Even financiers who are not CIIIs will promote selves through sustainability PR

• Even those who are heavily engaged will not seek to coordinate interests of finance capital on GHG issues
  – Except through promoting use of CINGOs, statements, lobbying governments
  – CINGOs rely on raising awareness of risk, time horizons, scale & engagement

• Paradox of carbon regulation in financial markets
  – emergence of voluntaristic collective self-regulation in the form of CF NGOs.
  – not seeking to supplant external state regulation, but facilitate it
    • in order to facilitate continued accumulation over the long term.
  – carbon regulation a potential mechanism for increasing relative power of long term in finance

• Non-coordination within finance capital on GHGs does not preclude formation of alliances between activists & CI finance capitalists
Civil society activists: CINGOs, think tanks, lobby groups, NGOs

CINGOs (climate investor NGOs, eg CDP, PRI, IIGCC) and their influence on CIIIs and target corporations
CI investor decisions

Target company behaviour

Reduce GHG emissions

CINGOs seek to influence
State regulation

Data available to CIIs

Risk equation

Transparency

CI investor decisions

Target company behaviour

CINGOs seek to influence

Degree of engagement and scale

Time horizon

Reduce GHG emissions
Think tanks
– Think tanks focus of shifting policy by shaping public debate
  • Often with assistance of mass media
– The rise of neoliberalism has been linked to think tanks because think tanks are the ‘expert’ legitimisers of neoliberalism.
  • Climate change has been a matter of denial with the right, albeit only since the onset of neoliberalism.
– Local or global?
  • ‘Advocacy’ lobbyists (IPA, CIS etc) often overseas clones in regard to their material content (Pusey 1991, Mendes 2005, Beder 1997).
    – linked with key individuals working against environmental movement and other progressive NGOs across the globe, eg American Enterprise Institute, Hudson Institute,
  • University/contract think tanks are most likely to be local.
  • Most NGOs are likely to be local with some exceptions (e.g. Greenpeace).
– Ideas and material conditions reinforce each other. Media, politicians, corporations, etc help create the material infrastructure to promote a hegemonic intellectual environment.
Conclusions

1. Different factors motivate and influence different stakeholders
2. They also seek to use different mechanisms to influence corporate climate behaviour, with varying strengths and weaknesses
3. So coordination and mobilisation of different stakeholders to influence corporate climate behaviour is difficult
   - which may be why it has been inadequately explored
   - there is great potential for coordinated action, if these limits and differences are recognised (and used)
4. A common area of public policy concern is carbon (externality) pricing, but other regulatory mechanisms may also have potential