



“Gheorghe Asachi” Technical University of Iasi, Romania



VOLUNTARY AGREEMENTS AS A WAY TO STIMULATE INDUSTRIAL ENVIRONMENTAL MANAGEMENT AND THEIR CONDITIONS FOR SUCCESS

Hans Bressers^{1*}, Theo de Bruijn², Laura Franco¹, Kris Lulofs¹, Yanyan Xue³

¹*CSTM, Twente Centre for Studies in Technology and Sustainable Development, School of Management and Governance, University of Twente, Enschede, The Netherlands*

²*Saxion University of Applied Sciences PO Box 501, 7400 AM Deventer, The Netherlands*

³*The Climate Group, Suite 1501 Golden Tower, 1 Xibahe South Rd, Chaoyang District, Beijing, 100028, China*

Abstract

Numerous governments have adopted innovative policy instruments to deal with important environmental policy challenges. Various forms of negotiated instruments may offer the potential to improve on environmental performance beyond what regulation alone can accomplish. Dutch covenants, which represent negotiated agreements with sectors of industry as targets of behavioral change in terms of mitigation of pollution, waste minimization and sustainable products and processes, provide a useful sample from which evidence can be drawn regarding the determinants of success.

In broad terms, our study presents a generally positive assessment of the negotiated agreement as an instrument of government. Our findings indicate positive environmental results in terms of stated ambition, compliance, goal attainment and environmental behavioural change. Interesting is that high ambitions do not relate to lower compliance, and instead contribute to the degree of ultimate behavioural change. On the minimization of total costs opinions are mixed, but a large majority acknowledged the efficiency advantages of flexibility in phasing of the measures. They are, however, somewhat less positive on the minimization of transaction costs, due to the continuous consultation processes. Finally, the vast majority of respondents had a positive view on the side-effects that develop resources for further steps forward, such as improved mutual understanding, improved knowledge base, and more. We have identified various factors that relate to these successes. One of the most important ones concerns the representative organization of a sector, i.e. the branch organization. In cases where a strong representative organization exists that is also willing and able to act on behalf of its members, chances for success are much higher. This is also true when the target group's environmental image is sensitive. For the policy objective of improving environmental performance, certain features of the policy setting explain much of the variance in ambitions and outcomes: attitudes of decision makers in the affected businesses, attention to cost minimization, and possibly the degree of ambition built into the agreement. Additional modeling to explain the extent of ambition and also compliance offers further insights. Some research in Mexico and China suggests that while some lessons from the Dutch experience may be restricted to more corporatist policy settings, others may help improve the effectiveness of negotiated agreements in a variety of other national settings.

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* Author to whom all correspondence should be addressed: E-mail: j.t.a.bressers@utwente.nl