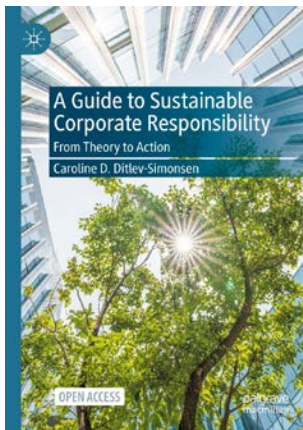




Review of *A Guide to Sustainable Corporate Responsibility From Theory to Action*.  
Caroline D. Ditlev-Simonsen. Palgrave Macmillan, 2022.

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## 1. INTRODUCTION



Caroline D. Ditlev-Simonsen is working at BI Norwegian Business School. She has – as we can read in her biography – an international and comprehensive business and organizational experience in the areas of sustainability, corporate responsibility, business development in Africa, circular economy and happiness research. She has a wealth of academic and social experience. She collaborated among other things with the universities in Tanzania and Ethiopia. She was a board member of WWF-Norway and is co-director of BI Centre for Sustainability and Energy. Her new book addresses an important issue – sustainable corporate responsibility.

In addition to the introduction the monograph has 11. chapters. The publisher has included a list of the acronyms and list of figures at the beginning of the book, and a bibliography and cumulative index (instead of a geographical, personal, and subject index) at the end. The selection of the literature is balanced, even modest, but in the review I would like to include my own thoughts after reading this monograph.

## 2. DISCUSSION

Ditlev-Simonsen wrote an emotional preface and is aware of the limitations of her research workshop, as she wrote: “sustainable corporate responsibility is a complex topic involving several fields of knowledge” (p. V). In the introduction she pointed out that “global production and consumption continue to grow at an unsustainable rate”, major economic inequalities, over-pollution and resource depletion (p. 1-2). Companies and even business

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students are convinced of the necessity incorporating environmental issues to the economy, but current business model is leading directly to the degradation of the planet. Her goal is: “to recommend practical steps and strategies for corporations pursuing sustainability in an effective way that is good for business and financially sound” (p. 2).

In the chapter “Sustainable Corporate Responsibility” she defined the term of the company and pointed out the differences in responsibility between nature and legal person. She concluded that sustainability is not necessarily aligned with the goal of the corporations, but she did not point out the reasons for this state of affairs. In my opinion they lie in the paradigm of capitalism from which, after all, corporations grew. We don’t know if companies, which control global trade and make huge profits, will decide to implement pro-environmental solutions. Reducing the ozone hole and phasing out asbestos from the market shows that it is possible.

Ditlev-Simonsen rightly noted that the problem of sustainability began with the rise of consumption in the 20th century, but its roots lie in the industrial revolution. She depicted the ecological footprint but she did not explain, for example, the reasons for the dramatic increase between 2000 and 2010. She also described the problem of the sustainability from the perspective of the international law and United Nations. She reduced the responsibility of the companies to the “trolley problem” and use of the self-driving cars, which seems shallow, considering, for example, the slave labour of immigrants in logistics warehouses and plantations. The idea of the eudemonia is very good, because we can tell that the objective of the companies actions is to make the consumers happy. This approach, however, can be severely criticized based on, for example, Kant's philosophy. Ditlev-Simonsen indicated the possibility of adapting the Aristotle's virtue ethics to the mission, vision and maybe the strategy of the company and Kant's philosophy she referred – very aptly – to the duty ethics. In the description of the philosophical trends she considered utilitarianism and consequentialism, but we must recognize the risks of the vulgar utilitarianism. She indicated the role of the CSR factors, and the critical evaluation of the companies' reports is interesting for the readers.

In the chapter “Economic Theories and Sustainable Development” at the outset she very aptly wrote: “our society are not sustainable in the long run” (p. 37). She juxtaposed the economic theories with sustainability development assumptions: Malthus, Veblen, Smith, Keynes, Friedman, Clark, Bowen. Regarding Smith, she stated: “the «Invisible Hand» has not guided our development in the direction of sustainability. Smith’s model needs to be revisited and extended to be applied to the pursuit of sustainability” (p. 42). In the commentary to Keynes she said: “with the non-sustainable development (...) government interventions (...) have not been successful” (p. 43). Keynes – as she wrote – “underestimated the greed of humans” (p. 44), but pursuing sustainability can be for companies a good business. Commenting on Clark’s theory she made a good point: “businessmen have a social responsibility beyond just making money” (p. 47). Thus, for example for me, the owner of a neighbourhood liquor store is responsible for the fact that his customers, returning from his store, scatter empty vodka bottles around the estate. She searched for answers to the relationship between economic theories and the sustainability, among others, in the stakeholders theory. She also mentioned new theories, taking into account societies’ sustainability challenges. In my opinion she should have developed a critique of the GDP, because the dependence of public policies on this measure is one of the reasons for the lack of implementation of the regulations of sustainability development.

In the chapter “Key Tools for Social- and Environmental Performance, and the UN Sustainable Development Goals (SDGs)” Authoress described UN initiatives (UN Global Compact, MDGs, SDGs), certifications, reporting methods and the role of transparency. Ten Principles of the UN Global Compact are vague, but as Russia's war with Ukraine shows, they can be a useful tool for evaluating corporate actions. She wrote: “Many companies are struggling on deciding what sustainable development implies for their business. (...) For many companies applying the ten principles has helped advance sustainability within the company” (p. 64), but she didn't provide hard data, so these statements could be seen as lip-service. I fear that the Authoress treats UN regulations, which cost is disproportionate to the effects, too optimistically. We can ask, what's left of United Nations Millennium Project, although the world has had some successes, for example, in disease HIV: of the end of 2020, 73% of people living with HIV were accessing antiretroviral therapy, up from 25% in 2010. The analysis of the 17 SDGs is interesting and Authoress gave many examples. Some of them are optimistic, and some of them, like the rise of hunger in the South, obesity in the North, and food waste unfortunately not. Social inequalities calculated by the GINI index are increasing. The share of the urban population living in slums is growing. The powers are increasing their share in carbon footprint. I think, in the future water wars lie ahead.

Ditlev-Simonsen answered the question: “Why and How Are the SDGs Relevant for Business?” by describing the practices of the largest companies: H&M in Sweden, Coca Cola and Philip Morris in America, Huawei in China. The selection of companies is interesting because in fact without Coca-Cola, cigarettes and fast fashion we could live. Therefore we should watch the New Zealand's cigarette experiment. The procedure of implementing the Millennium goals in a concrete company, can be an interesting thought experiment.

In the chapter “The Business Case for Sustainability” Ditlev-Simonsen described the following case studies: Nike, Arthur Andersen, VW and Rana Plaza building collapse. She referred the activities of the companies to the five stages model: ignore, react, defend, accommodate and proactive. She highlighted the positive lessons that companies have learned from their mistakes. She also discussed the theoretical aspect related to human resource management and reported on survey research. Respondents put a strong emphasis on branding, but in her view economic, environment, and social issues should also be taken into account. She rightly pointed out the importance of a company's reputation. Intangible assets can indeed be strongly joined to sustainability development and avoidance of tragedies, accidents, and scandals associated with irresponsible behaviour can positive motivate the companies.

In the next chapter (“Circular Economy: New Business Models”) she showed the model of the circular economy. She was looking for an answer to the question: why we generate so much waste. She invoked the cycle of nature, emphasizing the destructive role of human civilization. The current linear economy is a wrong way. She aptly argued that in the circular economy, product prices should include all environmental costs. I agree that the consumption should be reduced, but – in my opinion – primarily by the social elite. Not everyone has a pool, a yacht, a private plane, and only billionaires fly into space for fun. In my view we should remember who is the addressee of the Ditlev-Simonsen's postulates and who is responsible for the destruction of the natural environment: not the one who has nothing to wear, but those who present new creations again and again. Recycling fees are needed, but first for people for whom the environmental problem does not exist at all, due

to mentality and low emotional intelligence. Ditlev-Simonsen also rightly pointed out the absurdities that inhibit a closed loop, such as the inability to repair electric cars, what we know from the practice of selling Tesla cars in Scandinavia. She described the planned obsolescence too. Her argument that “public/governmental sector is the largest consumer in most countries” (p. 140) is thought-provoking.

In the chapter “Strategy to Approach Sustainability in Companies: A Step by Step Model” Ditlev-Simonsen characterized the sustainability strategy model that makes it easy to answer the question: “is your company a sustainable company?”. This model consists of six steps: 1) ANCHOR in top management and INTEGRATE throughout the company; 2) MAP; 3) TEST; 4) LAUNCH; 5) IMPLEMENT; 6) REPORT. She combines this model with the developing the company’s vision, mission, and statement of purpose associated with sustainability. I think the presentation of models is a strong point of the reviewed book

“In the field of corporate responsibility and sustainability, stakeholder management is maybe more relevant than many other issues companies have to take into account” (p. 163) - wrote Ditlev-Simonsen in the chapter “Stakeholder Management”. She described very matter-of-factly the concept of stakeholders. She distinguished the position of the owners, shareholders, managers, employees, suppliers, customers, NGOs, journalists, researchers. Her arguments are clearly textbook in nature. I would disagree with the assessment that “employees are key stakeholders for corporations (...) Having committed employees is positive for retaining and avoiding expenses for recruiting new employees” (p. 168). Amazon has built its power on the slavery of low-wage workers, especially immigrants, in warehouse complexes, and exploitation and rapid turnover of employees is embedded in this corporation's employment philosophy. That is why the attitude of customers is so important, without whom, as Ditlev-Simonsen aptly noted, companies will not survive. So she rightly emphasized the consumer’s responsibility. She justified the necessity of the market regulations with the concept of the “tragedy of the commons”, but she did not refer to the Elinor Ostrom's observations. The example of ending the cooperation of Lego with Shell as a result of the Greenpeace action is excellent.

The authoress wrote about ethical investing in the chapter “Sustainability and Finance: Environment, Social, and Governance (ESG)”. She gave an example Government Pension Fund of Norway, which is - especially for East and Central Europe - a pattern for proper management of public fund. She also mentioned about the “greenwashing”. Her analysis of the exclusion criteria preferred by respondents is interesting: they ruled out investing in shares of companies that conduct animal testing. Norway’s public opposition to onshore wind is the case unknown to the public in other countries and such mentions about cases from Norway undoubtedly make the text more colourful.

It is true what Ditlev-Simonsen wrote in the chapter “Anti-corruption”: “corruption is a major obstacle to economic and social development” (p. 208). For normal person the corruption is an abnormal situation. The reader is surprised when he reads that in Norway “until 1995 expenses associated with bribery of foreign officials could be deducted as an expense, entitling tax reductions for the company” (p. 209). If “corruption is still a big challenge in countries like Norway” (p. 210), what must be the scale of the problem in other European countries. So we see how much depends on the mentality of a particular society. It is incredible that digitization reduces the corruption, because it reduces the opportunity for face to face meetings.

Ditlev-Simonsen chose Sub-Saharan Africa as an example of implementing the sustainability in another countries (“Sustainability in Developing Countries: Case Sub-Saharan Africa”). She recalled the ineffectiveness of external aid and sought answers as to why the situation in Africa is so bad. She pointed out the mistakes of international projects and, as an example, the detached from reality and thus nonsensical attempts to reforest the continent. This chapter is very interesting and her analysis is multifaceted.

The monograph is finished with a summarized chapter “The Way Forward: Is Sustainable Development Realistic?” It includes – in my view – too many general statements, among which postulates for creating a sustainable economy are missing. I'm afraid we need a radical change in thinking about economics because capitalism is not able to find a solution to the problem of the destroying our planet. Continuous profits cannot be reconciled with the resource savings. The problem is the model of life promoted by the elite and picked up by people on social media. The richest part of society consumes and destroys without limit, and the poorest is passive, and not even segregate waste. The transformation of the society and economy, forced by an enlightened part of the society, will be too slow towards the climate changes. It will be simply too late for a new modernization paradigm. Droughts, fires, floods, and hurricanes will trigger new migrations of peoples, and then either the system will collapse or we will face new wars.

### 3. CONCLUSION

In the reviewed book lacked the social aspect of the sustainability development since high-level managers have the greatest responsibility for the planet, and their horizons should no longer be limited to buying the next supercar and watch. Besides, since some managers believe in God, so where is their faith and responsibility for current condition of the planet? Where is the limit of using environmental resources for human culture? The public is served with games and commercialized sports and local governments spend public money for organization of the fuel-eating motorcycles and cars events. We need a different model of life and consumption in the mass media. Less consumption does not mean a less happy life, as Ditlev-Simonsen wrote about in the last chapter. I am sure, she is right.