xxxx-xxxx

JOURNAL OF EMERGING PERSPECTIVES

Business Society Territories

Vol. 1 – 2024

FIRENZE UNIVERSITY PRESS

Journal of Emerging Perspectives

Vol. 1 – 2024

Firenze University Press

Journal of Emerging Perspectives
https://oaj.fupress.net/index.php/jep

Direttore Responsabile: **Fabrizio Mosca**

Published by Firenze University Press

Firenze University Press
Università degli Studi di Firenze
via Cittadella, 7, 50144 Firenze, Italy
www.fupress.com

JEP

Firenze University Press
https://oaj.fupress.net/index.php/jep

Introduction to the Special Issue

"Rethinking business, society, and territories for the ecological transition"

Fabrizio Mosca, Guido Lazzarini, Maria Giuseppina Lucia

OPEN ACCESS

Citation: Mosca, F., Lazzarini, G., & Lucia, M.G. (2024) "Rethinking business, society, and territories for the ecological transition". *Journal of Emerging Perspectives* 1: 3-5. doi: 10.36253/jep-16893

Published: December 16, 2024

Data Availability Statement: All relevant data are within the paper and its Supporting Information files.

Competing Interests: The Author(s) declare(s) no conflict of interest.

The pursuit of unlimited growth, the subsequent intensive exploitation and use of fossil fuels and mineral resources, intensive agriculture, and livestock farming, as well as unsustainable consumption patterns, have become "geological forces" (Crutzen, 2002) that produce transformative and dramatic impacts on the planet's ecosystem. Global warming serves as an example, representing the devastating consequences of the Anthropocene (Steffen et al., 2007; Kopnina et al., 2018), marked by uncontrolled human activities, widening global inequities, and cultural homogenization within communities. These trends have also led to widespread human rights violations and basic needs. In response to these challenges, institutional bodies, academics, and eco-social movements have embraced "ecological transition" – a multifaceted approach towards fostering a more harmonious and balanced relationship between humanity and nature (Dimitrova et al., 2013). First coined by Bennet (1979) and later emphasized by Robin Hopkins in 2008, this term has gained traction within global policy frameworks, including the COP Agreements and the European Green Deal, which aims for a 55% reduction in greenhouse gas emissions by 2050 and climate neutrality by 2050 (EC, 2024).

Since its formal recognition, research on ecological transition has flourished. Initially focused on urban responses to climate change and peak oil, studies on ecological transition have expanded to encompass a vast array of economic and social issues, including energy transformations, food sovereignty, circular economy principles, and technological advancements for environmental protection (Ghelfi & Papadopolous, 2021). They also explore strategies to inform consumer choices and raise awareness of the environmental impact of consumption. Consumers, conscious of their role as social actors, are striving to align personal needs with broader societal imperatives. This is evidenced by the growing interest in product provenance, supply chain transparency, and ethical labour practices, with consumers willing to look beyond price.

That is why, the need for adopting a stakeholder approach that revolves around human beings' interactions and relationships represents the core of the debate about sustainable impacts (Jabbour et al., 2019; Scheepens et al., 2016).

Stakeholders, as groups of individuals, can take on various roles depending on their social, cultural, and geographical contexts and can have diverse perceptions of value, which will ultimately affect their level of engagement in solving social and environmental issues. A stakeholder approach to ecologi-

cal and sustainable transition entails stakeholders' participation in a broad range of activities, from co-creating and sharing knowledge for implementing the circular economy to fostering innovation within the closed-loop ecosystem, enhancing business frameworks, and changing business models, promoting best practices within communities, forming alliances to accelerate the transition through empowerment projects, collaborating in a cross-cultural logic to foster moral and creative imagination. (Beaurain et al., 2023; Clube & Tennant, 2023)

In this logic, scholars in the field of sustainability management, geography, and sociology, point out that the cultural and social dimensions of sustainability are too often disregarded and overlooked, in the literature as well as in practice (Beaurain et al., 2023; Korhonen et al., 2018).

We aim to cover this lacuna through this Special Issue, with contributions that investigate the role, interactions, relationships, and actions among and of stakeholders to create the human prerequisite for sustainable outcomes, in their three dimensions simultaneously: social, environmental and economic (Elkington, 1994; 2018).

Given that human beings' actions and interactions are complex (Freeman et al., 2010) and that the impact of sustainable transition varies across countries, companies, and societies (Coenen et al., 2012) we propose an interdisciplinary approach that explores ecological transition through the lens of business, society, and territories (Hansen & Coenen, 2015) and that allows for creative knowledge domains to disentangle and solve ecosystemic problems starting with the reconceptualization of humans interlinked to their ecosystems, with a focus on the effects driven by the ecological transition on industries and the risks of fast disruption of business activities. That is why, in line with the focus of the Journal of Emerging Perspectives, this Special Issue titled Rethinking business, society, and territories for the Ecological Transition challenges scholars in the fields of management, sociology and geography to come together and contribute to the call for papers by employing a multidisciplinary lens on how a social and cultural approach to sustainability can foster positive impacts on the ecological transition.

This is the first Issue of the Journal of Emerging Perspectives, the goal of the Editorial Committee is to create an interdisciplinary journal that brings together the three disciplines of business management, sociology, and geography, analysing complex problems with an interdisciplinary approach. The journal aims to acquire the status of a scientific journal and welcomes contributions from academics without specific distinctions in the academic roles.

It intends to manage with methodological rigor, ethics, and openness to different schools of thought while also being an opportunity for publication for younger resources who can experiment with collaborations with more experienced academics. Each monographic issue of the journal will examine a specific theme – an Emerging Perspective – that represents a particularly relevant scientific topic. Each thematic issue will be organized into three sessions. The first session will welcome papers with a predominantly academic focus, thus scientific papers; the second session will accept research that has a more quantitative approach or vertical analysis on a specific topic related to the monographic issue; and the third session will include case studies that are naturally connected to the subject matter under investigation. In particular, in the third session, it will be possible to welcome mixed contributions from academics and managers or contributions from different disciplines beyond those strictly belonging to business management, sociology, or territory.

REFERENCES

Beaurain, C., Chembessi, C., & Rajaonson, J. (2023). Investigating the cultural dimension of circular economy: A pragmatist perspective. Journal of Cleaner Production, 417(138012), 138012.

Bennett John (1979). The Ecological Transition: Cultural Anthropology and Human Adaptation. American Journal of Sociology, Vol. 84, No. 5, pp. 1280-1282.

Clube, R. K. M., & Tennant, M. (2023). What would a human-centered 'social' Circular Economy look like? Drawing from Max-Neef's Human-Scale Development proposal. Journal of Cleaner Production, 383(135455), 135455.

Coenen, L., Benneworth, P., & Truffer, B. (2012). Toward a spatial perspective on sustainability transitions. Research Policy, 41(6), 968–979.

Crutzen, P. J. (2002). Geology of mankind. Nature, 415(6867), 23.

Dimitrova A. Hollan C., Laster D.C., Reinstaller A., Schratzenstaller M., Walterskirchen E. and Weiss T.(2013), Literature review on fundamental concepts and definitions, objectives and policy goals as well as instruments relevant for socio-ecological transition, Europe Working Paper, No. 40.

EC(2024) https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism_en.

Elkington, J. (1994). Towards the sustainable corporation: Win-win-win business strategies for sustain-

able development. California Management Review, 36(2), 90–100.

Elkington, J. (2018). 25 years ago I coined the phrase "triple bottom line." here's why it's time to rethink it. Harvard Business Review.

Freeman, R.E. (2010) Strategic management: A stakeholder approach. Cambridge University Press.

Ghelfi, A., & Papadopoulos, D. (2021). Ecological transition: What it is and how to do it. Community technoscience and green democracy. Tecnoscienza, 12, 13–38.

Hansen, T., & Coenen, L. (2015). The geography of sustainability transitions: Review, synthesis and reflections on an emergent research field. Environmental Innovation and Societal Transitions, 17, 92–109.

Jabbour, A. B., Rojas Luiz, J. V., Rojas Luiz, O., Jabbour, C. J. C., Ndubisi, N. O., Caldeira de Oliveira, J. H., & Junior, F. H. (2019). Circular economy business models and operations management. Journal of Cleaner Production, 235, 1525–1539.

Kopnina, H., Washington, H., Gray, J., & Taylor, B. (2018). The 'future of conservation' debate: Defending ecocentrism and the Nature Needs Half movement. Biological Conservation, 217, 140–148.

Scheepens, A. E., Vogtländer, J. G., & Brezet, J. C. (2016). Two life cycle assessment (LCA) based methods to analyse and design complex (regional) circular economy systems. Case: making water tourism more sustainable. Journal of Cleaner Production, 114, 257–268.

Steffen, W., Crutzen, J., & McNeill, J. R. (2007). The Anthropocene: are humans now overwhelming the great forces of Nature? Ambio, 36(8), 614–621.

JEP

Firenze University Press
https://oaj.fupress.net/index.php/jep

Original Articles – Territorial policies

The ecological transition in the current geopolitical context

Gianfranco Lizza

Sapienza University of Rome, Italy
E-mail: lizzagianfranco@gmail.com

OPEN ACCESS

Citation: Lizza, G. (2024) The ecological transition in the current geopolitical context. *Journal of Emerging Perspectives* 1: 7-13. doi: 10.36253/jep-16894

Received: September 21, 2024

Revised: October, 18, 2024

Published: December 16, 2024

Data Availability Statement: All relevant data are within the paper and its Supporting Information files.

Competing Interests: The Author(s) declare(s) no conflict of interest.

Abstract. The current global focus on ecological transition, driven by challenges such as global warming, pollution, biodiversity loss, and social inequalities, requires a deep change in economic systems and consumption patterns that involves the adoption of new energy sources and critical raw materials, often sourced from countries with differing geopolitical alignments and development levels. This research aims to provide a comprehensive vision of the geopolitical landscape's impact on the ecological transition, offering valuable insights for policymakers as they navigate the complexities of international relations. The study also delves into the political narrative of ecological transition and its impacts on social perception and territorial practices.

Keywords: ecological transitions, geopolitical context, climate change, sustainability, hybrid communication.

1. INTRODUCTION

The challenge of ecological transition is becoming increasingly complex in the current geopolitical landscape, not only due to the strong contrasts between the major world powers – namely the United States and Russia, the United States and China, the United States and the EU, and between Russia and China. Even states that were defined as "non-aligned countries" at the Bandung Conference in 1955, today choose to conform to the statements from international summits on combating climate change based on their logic of economic and political convenience. They adopt autonomous positions depending on the circumstances.

As a result, many states prioritize regional interests rather than aligning with those required by the international community or the leading major countries, in a manner that can be described as both conventional and hybrid, through differentiated messages and communications that also impact actions against climate change.

The most recent communication techniques, in fact, expand and deepen the scope of all clashes in cyberspace, including mutual accusations regarding the causes of climate change. The aim, as always, is to domesticate the minds of the masses to the intents of their authors, whatever the topic, conditioning people's thoughts deeply over time. With these methods, communication

about climate change – which, due to its severity, should be precise, transparent, and continuously push all humanity towards more effective resource use – is not universally accurate and does not always receive the necessary emphasis. Yet, it is a well-known issue that concerns everyone, and everyone talks about it, perhaps hoping for miraculous interventions in the immediate term. However, remedies and solutions unfortunately require time, investments, and behaviour on a global level, because the greenhouse effect and pollution know no borders.

This article will attempt to outline the geopolitical context in which the process of ecological transition is situated, with the aim of providing useful reflections for understanding the complex scenario of international relations in which the process of ecological transition is embedded, in pursuit of the goals of economic and social sustainability.

2. THE GEOPOLITICAL CONTEXT OF ECOLOGICAL TRANSITION

Given the different economic, social, and political situations, not all states have the same willingness or ability to allocate the substantial investments required for the adoption of climate change mitigation techniques. The costs of economic system conversions are very high and could have negative impacts, particularly in countries that are heavily dependent on fossil fuels. In the European Union, for instance, there are several member states whose energy systems are based on coal, with significant percentages in Poland (about 70-80%), followed by the Czech Republic (50-60%) and Slovakia (30-40%) (Energy Institute 2023; IEA, 2023).

Therefore, it is obvious that there is resistance to pressures for accelerating decarbonization and reducing greenhouse gas emissions that contribute to atmospheric warming and climate change. Other countries that base their economies on oil exports, such as Saudi Arabia, Russia, Venezuela, Iran, Nigeria, and the Gulf countries, obviously oppose the use of alternative energy resources.

Furthermore, although the solutions to reduce at least some of the causes of climate disruptions are known, not all countries have the capabilities and technologies to implement them. If major polluters continue to pollute within the framework of hypocritical international agreements and compromises of all kinds, amidst economic tensions and wars of every kind, the time available to address climate impacts and achieve sustainability goals will keep extending, reaching a point of no return, as highlighted by authoritative international studies. According to the Global Carbon Project, carbon dioxide emissions in the atmosphere increased by 63% in 2022 compared to 1990 (GCP, 2023). Between 2014 and 2023, observed warming was 1.19°C, predominantly caused by human activities, and emissions from fossil fuels have increased by about 3% per year over the past decade – roughly double the rate of the preceding three decades, a value that exceeds the range of scenarios proposed by the IPCC in 2001. The surge in emissions is attributed to the increase in coal use, which accounts for more than 40% of global CO2 emissions from fossil fuels (Foster et al., 2024).

In essence, the trend illustrated will lead to a global temperature increase of 3 degrees Celsius by the end of the century, primarily due to the development of coal, oil, and gas extraction, deforestation, the use of chemical fertilizers, intensive livestock farming, and the increase of organic waste in landfills. This trend poses serious consequences for biodiversity as a result of human activities (IPCC, 2021; EEA, 2022).

Certainly, international bodies, particularly the COP (Conference of the Parties), the decision-making body of the United Nations Framework Convention on Climate Change (UNFCCC), have contributed to maintaining attention and promoting international commitments to address the climate crisis. However, a unanimous sharing of the tools and methods for implementing the principles established in the annual meetings is still lacking, leading to the implementation of climate agreements being hindered from the outset by the divergent attitudes and interests of various countries. For example, the United States, while signing the Kyoto Protocol in 1997, later withdrew partly due to concerns about the impact that reducing emissions would have on their economic system and partly because they highlighted the lack of greenhouse gas reduction obligations for developing countries. A similar incident occurred when the USA exited the COP 21 Paris Agreement, a move subsequently reversed by the Biden administration.

The summits that followed COP 21 up to the one in Dubai, along with related documents and announced initiatives, have consistently highlighted the different interests of States, particularly the divergences between the West and developing countries, compounded by the lack of sanctioning mechanisms. In particular, the implementation of proclaimed initiatives clashes with the political and economic realities of several countries, hindering the overall effectiveness of efforts for ecological transition (UNFCCC, 2023). The consequences of inequalities and poor implementation of agreements by all countries intensify pre-existing critical situations, such as the so-called climate inflation, which exacerbates geopolitical tensions.

3. FROM COAL TO RENEWABLE SOURCES: THE INFLUENCE OF GEOPOLITICS

A dangerous effect of climate change with significant geopolitical relevance is climate inflation, which refers to the rising prices of numerous basic food products such as vegetables, olive oil, citrus fruits, coffee, cocoa, and cereals (FAO, 2022; Kotz et al., 2023). Yet, amid droughts and extreme precipitation in many regions of the planet, the impact of climate change on the food market is evident, leading to political upheavals, riots, and revolutions (Hsiang et al., 2011; Mena et al., 2021; Sheryn et al., 2024). In China and India, for instance, drought also reduces hydroelectric power production, significantly affecting food prices.

Warnings about reaching a point of no return in the climate crisis often go unheeded, while climate disturbances continue to exert strong pressure on the food market, provoking speculative pushes with evident repercussions on the major stock exchanges, resulting in ongoing economic pressures and humanitarian crises driven by climate migration (Piguet et al., 2011; Schmidt, 2022).

The increase in activities suitable for meeting the needs of a growing global population results, as is well-known, in the greenhouse effect, which is the cause of global warming. Therefore, there is an urgent need to intervene primarily to reduce emissions of these gases: carbon dioxide, methane, nitrous oxide, fluorinated gases (IEA, 2022). However, this is where the geopolitical aspect comes into play: to transition from fossil fuels to clean renewable energy sources – an essential goal for all – there is a need for rare metals such as lithium, nickel, and cobalt, as well as access to the most modern technologies for their optimal exploitation. These metals are termed rare because their supply is limited and is the result of intense extraction in geographically restricted areas. Their production, which is also significantly polluting, is concentrated mainly in China, the Democratic Republic of the Congo, Australia, and Chile. It is therefore not surprising that these producers have a vested interest in adopting protectionist policies that serve national interests, resulting in severe repercussions regarding the risk of supply chain disruptions and continuous increases in associated costs. The geopolitical management of these metals concentrates, monopolizes, and directs the supply predominantly towards friendly markets, becoming a powerful tool that can hinder ecological transition because it impacts the production of renewable energies and, consequently, the transformation of the economic system according to sustainability principles. The essential nature of these metals for renewable energy production is evident, for example, in the batteries of electric vehicles and in energy storage systems from sources such as solar and wind.

The increasing international geopolitical tensions and fluctuations in fossil fuel prices do not benefit the stability of their market, which operates within a framework of constant fragility and uncertainty. As a consequence, investments in the renewable energy sector – requiring massive capital and certainty of returns – often do not reach the expected levels called for to reduce global warming. For example, in the development of advanced energy storage technologies, in the most advanced solar panels, and in wind turbines.

In fact, fossil sources still account for about 80% of the global energy mix today. Of course, this does not mean that major leading countries such as the European Union, the United States, and also China and India are not committed to reducing greenhouse gas emissions, even though the latter are particularly major polluters. For instance, Europe, through the Green Deal, aims to reduce such emissions by 55% by 2030. The Inflation Reduction Act in the United States involves an investment of $437 billion, mainly directed towards combating climate change to reduce greenhouse gas emissions by 40% by 2030, promoting renewable energy production such as solar and wind (Unites States Department of Energy, 2022). China, in its most recent five-year plan for 2021-2025 (Ministry of Ecology and Environment, 2022), and India with its National Action Plan for Climate Change in 2021 (Ministry of Environment, Forest and Climate Change, 2021; Department of Science & Technologies, 2007) are also committed to reducing greenhouse gas emissions. In particular, India has recently increased its efforts in the development of biofuels.

There is also no shortage of legislation aimed at strengthening environmental sustainability and international funding, especially towards developing countries, through the establishment of the Green Climate Fund (GCF) adopted by 194 countries in 2010 as a financial instrument of the United Nations Framework Convention on Climate Change and the Global Environment Facility (GEF), global partnerships aimed primarily at financing developing countries to address environmental challenges

Theoretically, all of this is very significant but, unfortunately, still insufficient. Although Europe has made significant strides recently. Unfortunately, ongoing wars and political and economic tensions tend to delay the implementation timelines of major international agreements designed to combat climate change, leading to a postponement in the complete transition from fossil fuels.

4. GEOPOLITICAL TENSIONS IN ECOLOGICAL TRANSITION

To illustrate the interconnection between geopolitical tensions and energy issues – and, therefore, the ecological transition – the case of the conflict in Ukraine is particularly telling as it highlights the energy problem. The conflict at Europe's doorstep does not only concern Moscow and Kyiv but also involves Russia and the United States alongside the entire West (Lizza, 2022; 2024), and it is a proxy war, meaning a war by proxy. In fact, beyond the military confrontation, it encompasses a complexity of various economic, financial, and commercial aspects, especially the issue of geopolitical "sovereignty."

Moreover, long before the outbreak of war, the energy sector was a significant aspect of the East-West confrontation. Through energy, Russia was strategically moving Europe away from its traditional embrace with its old ally, the United States. With the conflict, Europe has substantially redirected its gas and oil imports elsewhere, allowing for increased supplies from the United States and from countries that previously supplied smaller quantities, such as those in the Caucasus, Africa, and the Gulf.

Another aspect that pertains to the interconnection between geopolitics and the ecological transition is the control and defence against terrorism and military attacks on the thousands of kilometres of pipelines and gas lines, electrical cables, or fibre optic cables that represent the circulatory system of energy and communication. These are all critical vulnerabilities, as evidenced by the 2022 sabotage of the North Stream 1 and 2 gas pipelines that connect Russia to Germany. Such vulnerabilities can only be reduced through an ecological transition towards renewable energy. Sabotaging or militarily attacking a gas or oil pipeline is one matter; however, shutting down thousands of wind, solar, and turbine plants with their corresponding energy storage systems is another entirely. The same applies to the Global Internet cables that rely on satellites in low orbit.

Referring again to the war in Ukraine, amid political tensions, sanctions, and transformations in the transit routes for hydrocarbon trade, nuclear energy continues to represent a particularly contentious area. Given its extremely high risk and potential for escalation into nuclear confrontation, Article 56 of the 1977 protocol, added to the Geneva Convention of 1949, is insufficient, as it effectively leaves the choice of sanctifying a nuclear site to the belligerents.

The World Nuclear Industry Status Report of 2024 (WNISR), which annually outlines the state of nuclear energy production globally, states that this source provides less than 10% of the world's electricity. The peak of 449 reactors reached in 2018 has since declined to 411 reactors. Moreover, the narrative regarding a reactor resisting a crashing aircraft can, according to WNISR, at most, apply to just a few plants worldwide, namely only the most modern ones. And yet, none could withstand military attacks with "bunker-busting" missiles or nuclear warheads, not to mention the vulnerability of pools containing spent fuel rods or the failure of a reactor's cooling system, which could lead to a meltdown and the spread of radioactivity. Thus, one hopes that no one would consider a military attack on a nuclear power plant, as the escalation toward nuclear war would be assured. In a certain sense, and in geopolitical terms, nuclear power plants can act as a deterrent due to the fear of catastrophic consequences.

However, Ukraine continues to rely on atomic energy, despite the Zaporizhzhia plant, Europe's largest with six reactors, being constantly at risk of accidents. In fact, Kyiv has recently laid the foundation stone for the construction of two new nuclear reactors at the Khmelnytskyi plant, where two Soviet-manufactured reactors are already operational. Notably, these new reactors will be built by Westinghouse, a U.S. company that has long collaborated with Kyiv to supplant Russian technology with its own. This scenario exemplifies a situation where the belligerents compete only in the technical and economic arenas, effectively excluding direct military interventions.

Indeed, despite the war, nuclear giants like the American Westinghouse and the Russian Rosatom continue to compete not only in Ukraine but throughout Eastern Europe. For instance, in Poland, Westinghouse will construct the first nuclear plant in Lubiatowo-Kopalino, and in the Czech Republic, expansion plans are underway for the Dukovany and Temelín plants. However, the technical-economic conflict, even though many other Soviet-manufactured plants in Hungary, Slovakia, and Bulgaria are still operational, goes even further. The supply of raw materials, namely uranium, also comes into play here. This is where geopolitical issues directly intersect with climate change. While atomic energy is seen as an essential piece in finally reaching the objectives of transitioning to clean energy, it is just as evident that this cannot be achieved without uranium. However, this raw material is predominantly located in Russia and, notably, within the borders of its traditional allies, Uzbekistan and Kazakhstan. The latter is the world's leading producer, and together they account for roughly half of the world's production (World Nuclear Association, 2024). In contrast, the Western world primarily features Australia and Canada, which have significantly lower volumes (World Nuclear Association, 2024).

Rosatom is the Russian nuclear giant, a global holding company involved in diverse fields that governs a collective of over 300 companies operating around the world wherever Kremlin politics extend their influence. Moreover, nuclear energy is not subject to sanctions from the European Union, and the United States only stopped importing Russian uranium in May 2024. Thus, European nuclear plants, which import 99.5% of their raw uranium, cannot simply remove Rosatom from their list of suppliers, despite the war in Ukraine and ongoing international political tensions, as well as Westinghouse's efforts to replace Rosatom in Europe and eliminate Russian technology.

In summary, while the conflict over hydrocarbons knows no bounds, the nuclear energy sector remains confined within the technological and economic market variables. This suggests that it is hoped that companies and production supply chains operating in nuclear energy will continue to advance, despite ongoing political and military conflicts, alongside the development of renewable energies to effectively combat the impacts of climate change.

5. GEOPOLITICAL DYNAMICS IN THE CONTEXT OF ECOLOGICAL TRANSITION

In the context of ecological transition, certain geopolitical dynamics play a crucial role, which will be examined in this section. With the end of the Cold War, the world order transitioned from a bipolar system dominated by the United States and the Soviet Union to a unipolar structure led by the United States, followed by fragmentation due to the emergence of powers such as China, Russia, and India. This evolution has radically changed the distribution of international sovereignty, leading to a re-evaluation of global agreements and the sharing of planetary resources. Today, issues related to access to the Arctic and Antarctic, ocean management, fishing, water, and even space are no longer simple territorial disputes; they are linked to new economic and political confrontation dynamics. In response to China's Belt and Road Strategy, aimed at strengthening its influence through trade flows and infrastructure, the United States and its allies are proposing alternative trade projects that connect India, traverse the Middle East, and reach Europe. These developments encompass not only trade aspects but also reflect broader geopolitical ambitions, manifested through infrastructures such as pipelines, railways, and communication networks, all of which must be considered globally in the ecological transition process.

Following the conclusion of the conflict in Ukraine, the world is likely to face further division between the West and the non-West. The alliances formed during this war, particularly between Russia and China, will contribute to consolidating rivalries between these opposing fronts. The sanctions imposed on Russia, along with new emerging political dynamics in Africa and conflicts in the Middle East, have already initiated the creation of alternative economic and military relations to those previously established with the West. Additionally, NATO's expansion, highlighted by the entry of Finland and Sweden, could further fuel disagreements among global powers and hinder or slow down the ecological transition.

The increasing multipolar configuration of the world is further accentuated by the enlargement of the group of emerging countries, the so-called BRICS, which now also includes Saudi Arabia, the United Arab Emirates, Iran, Egypt, and Ethiopia. This expansion represents an effort to build multipolar relationships in opposition to the Western world, making it even more challenging to reach agreements for resolving global issues. Additional tensions and conflicts between the North and South could direct substantial resources towards the defence sector, reducing the financial resources needed for combating climate change. Moreover, the rift between Russia and the West will be difficult to resolve, even after the war, as noted by Alexander Gabuev (2024), because the shared anti-Western interest of the two autocratic powers, Moscow and Beijing, is likely to endure, while ecological transition requires a global commitment that transcends current geopolitical divisions. In this context, Western policymakers are called upon to make greater efforts to carefully consider the Sino-Russian axis for coordinated and significant action to steer political, economic, and technological changes toward sustainability.

Ultimately, as geopolitical blocs consolidate and rivalries increase, the ecological transition must be viewed as an opportunity to find common ground. Ecological crises do not recognize borders and require joint efforts to mitigate their devastating effects. Investing in clean technologies and promoting sustainable policies offers chances for dialogue and cooperation, even among historical adversaries. Only by working together can nations hope to successfully address climate threats and ensure a secure and sustainable future for generations to come.

6. THE ROLE OF INFORMATION IN THE GEOPOLITICAL CONNECTION AND ECOLOGICAL TRANSITION

At the beginning of this work, we referenced the importance of new communication techniques in shap-

ing and influencing the choices of contemporary society. This section will examine in more detail whether these techniques can help curb climate change and improve the health of our planet and humanity, threatened by extreme events. The answer is positive if these techniques are used correctly. Again, the connection between geopolitics and ecological transition comes into play regarding the effects that communication can produce in collective perception, as exemplified by the manipulation by Cambridge Analytica, which influenced voters' decisions in the 2016 U.S. elections, highlighting how modern geopolitics is based not only on state or military interactions but also on new forms of influence that exploit technology and big data to change voter behaviour and, consequently, political decisions.

The manipulation of information is a crucial tool as it can direct and influence public opinion on issues such as climate change and the transition to sustainable energy sources in an increasingly unstable geopolitical context. If citizens are not adequately informed or sensitized, political decisions may delay significant progress in sustainability. The availability of accurate and transparent information plays a fundamental role in promoting effective environmental policies. However, political choices that incorporate genuine ecological responsibility may be more vulnerable to external pressures, such as those from energy corporations and industrial lobbies that can influence local and national leaders. This creates a dichotomy: while democracies are more open, the saturation of content and the speed of public debate can lead to confusion and disinterest in vital environmental issues.

In the geopolitical context, economic decisions related to the energy transition may also be influenced by international rivalries. Countries with renewable energy resources, like those in Europe, must balance their energy security with the urgent need to reduce emissions. Here, global competition for access to new green technologies and environmental standards can generate new alliances or conflicts.

From Noam Chomsky's well-known tenets on mind manipulation, it emerges that deeply understanding the society in which one wishes to intervene is essential. This involves analyzing sociocultural aspects and dynamics, history, geographical context, economic conditions, and political inclinations. Such knowledge not only helps to outline more effective strategies for influencing behaviour and perceptions but is also crucial for communicating in a relevant and meaningful way.

Communication techniques have the capacity and power to condition and influence the masses through profiling methods that allow for predicting and directing people's behaviour. While this can lead to a distortion of public discourse, it can also be used positively to promote collective awareness regarding environmental issues. Particularly in the contentious realm of climate change debate, it is essential to utilize these communicative techniques to foster collective action, even in conflict contexts. Despite existing divisions, there is a common interest in ecological transition that requires coordinated commitment, making it imperative to unite efforts at a global level. In this way, the dissemination of information and the strategic use of persuasive technologies can contribute to a collective mind shift necessary for addressing the climate crisis and pursuing a more sustainable future for all.

7. CONCLUSION

Ultimately, the transition to a low-carbon economy necessitates a thorough analysis of the links between energy, economy, and global politics. Ecological transition cannot occur in isolation from geopolitical considerations: solutions must be explored not only for ensuring access to essential energy resources but also for strategies to mitigate the risks associated with environmental and geopolitical conflicts.

Transitioning to clean energy use entails the need for advanced technologies and, above all, the global sharing of innovation. Currently, more than collaboration, there is a prevailing scenario of competition and conflict among major powers. As evidenced by the 2024 Australian Strategic Policy report, which highlights China's surpassing of the United States, the latter now holds over 80% of so-called "critical" technologies – those at high risk of manipulation.

All of this does not contribute to peace and cooperation among peoples for the protection of the environment and ecological transition if the ongoing military conflicts are compounded by tensions over exclusive control of technological innovations. Limiting access to innovations that could solve global problems, such as environmental issues, could result in severe delays in achieving the common good.

REFERENCES

Energy Institute. (2023). Statistical review of world energy. Retrieved October 13, 2024, from https://www.energyinst.org/statistical-review

European Environmental Agency. (2022). Environmental Statement Report. Retrieved October 13, 2024, from

https://www.eea.europa.eu/publications/environmental-statement-report-2022

Food and Agriculture Organization of the United Nations. (2022). The state of food security and nutrition in the world 2022: Transforming food systems for affordable healthy diets. Retrieved October 13, 2024, from https://www.fao.org/publications/sofi/2022/en/

Forster, P. M., Smith, C., Walsh, T., Lamb, W. F., Lamboll, R., Hall, B., … Zhai, P. (2024). Indicators of Global Climate Change 2023: annual update of key indicators of the state of the climate system and human influence. Earth System Science Data, 16(6), 2625–2658.

Gabuev, A. (2024). Putin and Xi's unholy alliance. Foreign Affairs, 103(3), 34–42.

Global Carbon Project. (2023). Global carbon budget 2022. Retrieved October 13, 2024, from https://www.globalcarbonproject.org/carbonbudget/22/files/GCP_CarbonBudget_2022.pdf.

Hsiang, S. M., Meng, K. C., & Cane, M. A. (2011). Civil conflicts are associated with the global climate. Nature, 476(7361), 438–441.

Intergovernmental Panel on Climate Change. (2021). Climate change 2021: The physical science basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Retrieved October 13, 2024, from https://www.ipcc.ch/report/ar6/wg1/

International Energy Agency. (2022). The global methane pledge. Retrieved October 13, 2024, from https://www.iea.org/reports/global-methane-tracker-2022/the-global-methane-pledge

International Energy Agency. (2023). Europe - Countries and regions. Retrieved October 13, 2024, from https://www.iea.org/regions/europe/coal.

Kotz, M., Kuik, F., Lis, E., & Nickel, C. (2023). The impact of global warming on inflation: averages, seasonality and extremes.

Lizza, G. (2022). Gli orizzonti della nuova geopolitica: Verso il 2050. UTET.

Lizza, G. (2024). Il tarlo: La manipolazione della mente nella nuova geopolitica. UTET.

Mena, C., Adger, W. N., & Phelan, L. (2021). Climate change and food price volatility: An assessment of the potential for social unrest. Environmental Science & Policy, 121, 45–54.

Ministry of Ecology and Environment of the People's Republic of China. (2022). China's policies and actions for addressing climate change. Retrieved October 13, 2024, from http://english.mee.gov.cn/Resources/Reports/reports/202211/P020221110605466439270.pdf

Ministry of Environment, Forest and Climate Change. (2021). National action plan on climate change. Retrieved October 13, 2024, from https://static.pib.gov.in/WriteReadData/specificdocs/documents/2021/dec/doc202112101.pdf

Piguet, E., Pécoud, A., & de Guchteneire, P. (2011). Migration and climate change: An overview. Refugee Survey Quarterly, 30(3), 1–23.

Schmidt, P. (2022). Food price crises: The role of speculation and concrete proposals for an action in the aftermath of the Ukraine war. European Economic and Social Committee. Retrieved October 13, 2024, from https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/food-price-crisis-role-speculation-and-concrete-proposals-action-aftermath-ukraine-war

Sheryn, S., Opdyke, A., & Banki, S. (2024). A review of the climate change-disaster-conflict nexus and humanitarian framing of complex displacement contexts. Retrieved October 13, 2024, from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=488488

United Nations Framework Convention on Climate Change. (2023). UN Climate Change highlights. Retrieved October 13, 2024, from https://unfccc.int/sites/default/files/resource/2023_Highlights_presentation.pdf

United States Department of Energy. (2022). Inflation Reduction Act. Retrieved October 13, 2024, from https://www.energy.gov/lpo/inflation-reduction-act-2022

World Nuclear Association. (2024). World uranium mining production. Retrieved October 13, 2024, from https://world-nuclear.org/information-library/nuclear-fuel-cycle/mining-of-uranium

World Nuclear Industry Status Report. (2024). Global launch of the World Nuclear Global Industry Status Report 2024. Retrieved October 13, 2024, from https://www.worldnuclearreport.org/#:~:text=11%20September%202024%2

JEP

Firenze University Press
https://oaj.fupress.net/index.php/jep

Original Articles – Sociology studies

Sociology in the face of environmental sustainability

Paolo De Nardis

Department of Communication and Social Research, Sapienza University of Rome, Italy
E-mail: paolo.denardis@uniroma1.it

Abstract. The essay examines the relationship between sociology and environmental sustainability, highlighting the historical and theoretical roots of the concept of environmental sustainability. It traces the evolution of sociological thought on the environment, from the Enlightenment to contemporary debates, emphasizing the concept of the relationship between man and nature. The essay also addresses the issue of greenwashing, analyzing the gap between discourse and practice in environmental policies. It concludes by emphasizing the importance of a social and cultural perspective on the environment for a deeper understanding of sustainability.

Keywords: environmental sociology, sustainability, greenwashing, nature, social theory.

OPEN ACCESS

Citation: De Nardis, P. (2024) Sociology in the face of environmental sustainability. *Journal of Emerging Perspectives* 1: 15-21. doi: 10.36253/jep-16895

Received: June 21, 2024

Revised: October, 21, 2024

Published: December 16, 2024

Data Availability Statement: All relevant data are within the paper and its Supporting Information files.

Competing Interests: The Author(s) declare(s) no conflict of interest.

ORCID
PDN: 0000-0001-8341-242X

1. SOCIAL THINKING AND THE NATURAL ENVIRONMENT

The 'classics' of sociology, and we are referring here in particular not only to Durkheim but also to Marx and Weber, were generally insensitive to the physical aspects of society, as they were largely determined by the need to affirm the autonomy of the social sciences with respect to the natural sciences from the *quarrel* against environmental determinism and biological determinism. Those same physical aspects, however, had somehow permeated the thinking of many of the pre-classical authors who can be found at the origins of sociological thought.

And in fact Durkheim and Weber move, if you like, precisely from a critique of the environmental and psychological determinism inherent in a proto-positivistic approach and the need for a reaffirmation of human freedom and will by emphasising man's superiority over nature; in particular, it can be noted that while Durkheim proceeds according to an anti-biologistic approach, Weber proceeds in open polemic with Darwinian and Spencerian evolutionism. On the other hand, Marx himself, in his critique of the classical political economy of Smith, Ricardo and Malthus, had also polemised against a certain agrarian determinism and against the hypostasis of a *homo oeconomicus* conditioned only in a physicalist sense.

This attitude of the classics and the founding fathers of modern sociology has caused environmental issues to be reduced to special, sectorial soci-

ologies, losing that fundamentally cultural value that the pre-classics had somehow intuited in dealing with natural phenomena in their relationship with the human environment.

The environment has thus long been reduced to a question of spatial differences in studies of urban, rural and territorial sociology, and the school of social ecology (or human ecology) itself was born in this context through a cultural operation of applying the concepts of ecology to the human species. R.E. Park is generally the author referred to in order to explain the genesis of this approach, which resolves itself into a sort of general theory of society and more properly of the relations between the biotic level of social relations and the cultural level; this social theory, however, was coined, as it were, to be applied to the study of modern cities, in particular the urban development of industrial cities (see the studies of Burgess, McKenzie, etc.).

Even the school of human ecology (or Chicago school), however, was born on the basis of an environmental emergency and draws largely on the empirical investigations of the late 19th century (such as Ch. Booth's on life and poverty in the city of London) and its aim is generally practical intervention. It should be noted, however, that in the human ecology of the Chicago school the concept of environment, understood as the natural environment, is almost nil and the category of space itself has a very relative value; but there is no doubt that it stands as the theoretical and cultural matrix of a series of studies, mostly of the American brand, which for years have dealt with community problems, demographic problems, and migration problems.

It is symptomatic that even a certain development of American functionalism, emphasising the need not to disregard the relationships between biological evolution and cultural evolution, wished to indicate the fundamental elements of the human ecological system through the adoption of the acronym POET (Population, Organisation, Environment, Technology) and, partly along these lines, a very particular strand of studies called 'ecology of organisations' originated, which sees social organisations as organisms united in populations and in a competitive relationship with each other.

Thus the classics of sociology have generally neglected the physical-environmental aspects (dealt with instead by human geography and anthropology), which, on the other hand, had been dealt with to some extent, realising their importance, by the pre-classics. But if it is true that the latter had a certain sensitivity in dealing with the environmental question, it is equally true that aspects relating to nature as a value in itself were often confused through a sort of projection of human elements onto the discourse of 'nature' and this very often fostered a confusion between values in itself *of nature* and values referring instead to *human nature* and therefore also in this case strongly anthropocentric and socio-culturally connoted.

However, in attempting to identify, albeit synthetically, the main moments in which some of the pre-classical authors dealt with the man-nature relationship, one cannot fail to bear in mind that, as has recently been noted, in defining the Man-Environment relationship, a kind of *dualism* prevailed for a long time, with the Subject understood as Thought-Spirit-Reason on the one hand, and Nature-sensibility on the other.

Empiricism, on the one hand, and rationalism, on the other, emblematically represent this state of affairs in which *ordo essendi* and *ordo cognoscendi* seem to run parallel tracks without ever meeting.

This duplicity of approaches seems to enter into crisis with Kant, who, as is well known, sustains, right from the opening of his *Critique of Pure Reason*, the importance of the sensible and its logical priority in man's gnoseological process ("All our knowledge begins with perception"). And, even if Kant himself will end up maintaining a dualism, which will take the form of the fundamental dichotomy between science and ethics, the relationship between Man and Nature is not only complicated, but also enriched, opening the door, from a logical point of view, to a cultural and social reflection on the environment.

Already in the midst of the Enlightenment climate, Montesquieu and Rousseau, rightly considered by Durkheim to be 'precursors of sociology', albeit with quite different perspectives, reflected on the relationship in question through analytical categories that were to become genuine operational concepts in the sociology of knowledge.

Montesquieu, as we will recall, introduces a principle of great sociological importance, according to which the law must adapt to the type of society for which it is produced. And the latter is seen precisely in its conditioning to natural factors, such as, for example, fundamental, climate, natural resources and modes of livelihood. To these must be added cultural conditioning such as the customs, habits and institutions of a given people.

Montesquieu's environmental relativism leads the author to believe that science should not seek the general principles that govern all societies, but rather the normative and regulatory principles of *individual* societies.

Ultimately, there is a high ethical tension in Montesquieu's discourse, especially in the pre-revolutionary climate, which leads him to search for conditions for the implementation of freedom, convinced as he is that these

conditions must vary according to countries, climates, environments, economies, and institutions.

Rousseau, as is well known, places himself along the lines of natural lawism and the analysis of a hypothetical state of nature.

This seems to be a logical category rather than an actual fact and comes to draw, depending on one's point of view, the relationship of man with his natural environment in a logically *presocietal* condition: a relationship that is seen, depending on one's perspective, as something problematically negative, in some cases; maximally positive, in others.

The state of nature as portrayed very effectively by Hobbes, in the part entitled 'De Homine' in *Leviathan*, reflects a man-nature relationship based on insecurity, fear, and above all loneliness; Rousseau, on the other hand, a century later, will base his representation of the state of nature on the myth of the 'good savage', finding in it, and in the perennial image of an ever-renewed Robinson in his politics of solitude (Polin), a fundamental archetype recapitulated in all mythologies and all religions, at least in the western world, and atavistically declined now as a golden age, now as an era of peace, now as Eden or earthly paradise.

It is in this sphere (logical and not chronological, as it may never have existed but was always longed for) of perfect fusion between man and nature that the modern concept of 'natural law' was born (as the matrices of ancient natural law can already be found in the Greek classics - for example in Sophocles' *Antigone* and in Christian philosophy) and that a kind of naturalistic morality renamed 'natural lawism' was founded.

Natural law, historically opposed and alternative to legal positivism (both poles of one of the greatest dichotomies in the history of the philosophy of law), can be well analysed from the perspective of *social legitimation* insofar as it tends, as is well known, to provide a basis for the compliance of a certain political and social order, or, as the case may be, for the *delegitimisation* of a certain political and social order. Classical natural law, in fact, operates on the basis of the assumption that, *before and beyond* written laws (positive law), there exist *unwritten* laws of a higher level that can only be known through the use of reason and that are proper to human *nature* and therefore, valid beyond space and time, come to represent the parameter by which to judge the goodness of the positive laws themselves (thus becoming an instrument for *controlling* every process of *secularisation* and *secularisation* of law).

From *the hypostatisation*, therefore, of these principles and the ontological condensation of what are defined as natural rights (or natural law) arises the possibility of a *legitimisation* of the social, that is, of a critique and thus a corresponding *delegitimisation* of the social itself. It is precisely on the basis of natural law doctrines that the legal and political critique of various social arrangements has been based for years, and it should not be forgotten how all the work of delegitimising *the ancien régime* by the French Enlightenment was largely based on natural law modules, as, moreover, had the political philosophy of the previous century (Hobbes, Locke, Filmer) to legitimise instead the new nascent liberal state, on the basis of the guarantees it gave to natural rights that were hypothesised, of course, within a scenario of a *state of nature* logically and chronologically preceding the rule of law.

Rousseau, in his critique of the civil society of his time, which is based on selfishness, violence and inequality, points precisely to the state of nature as the condition in which man should have continued to live.

According to Rousseau, society spoils and bastardises nature, and the idea of the state of nature (which may never have existed for Rousseau himself) is merely a critical tool to stigmatise the injustices of the present and of the established social order; from this point of view, the state of nature comes to be merely an ideal benchmark against which social and political institutions cannot fail to display their irrationality.

The myth of the good savage is exemplified as the reconnection with nature through criticism of the hetero-direction of civilised society.

From the above it can be clearly understood how modern natural law is more interested in asserting a particular and historically determined cultural perspective of human nature than in considering the *natural environment* in a broad cultural perspective. In fact, one need only think of the historical determination of the fundamental natural rights it affirms (life, liberty, private property) to understand how it is merely a tool for legitimising the modern liberal state against the old absolutism, and how what is considered natural, universal, eternal, is merely a cultural product strongly conditioned by a particular historical epoch.

The sociology of classical knowledge, which has worked on the analysis of the social conditioning of thought, has therefore had good game in dismissing natural law theories as ideologically flawed procedures that are based on intellectual constructions founded on values that, having emerged from certain historical situations and being the reflection of certain points of view, are by their nature historically contingent and certainly not characterised by apodicticity and universality.

All this reasoning also makes one realise how the state of nature hypothesised upstream of this intellectual

construction often had very little to do with a discourse *on* nature *apart from* specific interests that only the anthropic element, in the centrality and specificity of this event, could historically, but only historically, explain.

Contemporary sociology, too, has not gone beyond the management of the environment in an organisational and technological manner, at most postponing the ecological problem to an environmental impact assessment. The environment, in this way, is sectorialised within metaphysically labelled disciplines and loses that fundamental value implicit in the notion of 'environment as culture' that is already intuitively present in the very authors at the origins of sociological thought, who had often managed to grasp the cultural nexus of the subject-nature relationship. The great constructions of the classics of sociology, on the one hand, and the development of post-Parsonsian functionalism, on the other, seem to have introduced that discourse, and today it appears essential to avoid further dichotomous processes that are based on a representation of the subject as 'other' with respect to the environment and of the environment as the external sphere of the subject; both perspectives, in fact, present themselves as, shall we say, 'reductionist' insofar as the subject is reduced in this way 'to a Promethean or narcissistic Robinson and the environment to an inert nature, separate from man'. In both cases, '*the otherness that for man is not only given by the natural environment, but by the naturalness of his own body and the plurality of his coexistence' is in* fact amputated. This means, therefore, that just as the Subject 'is not a *Homo clausus*, an I-without-us, to quote Norbert Elias, so the Environment is not a nature indifferent to human presence' (Cerroni, 1991, p. 214).

Years ago it was noted that if Gramsci was able to make Benedetto Croce 'his privileged interlocutor' in the cultural debate, it was because his Marxism, like Rodolfo Mondolfo's, 'had discharged nature' (Paccino, 1972, p. 229), giving rise to a series of *apriorisms* and a sort of latent idealism that permeated a certain part of Italian Marxism.

As has been pointed out for some time now: "This aprioristic prefiguration, found in the Gentile-Mondolfo line (*while extraneous* to Antonio Labriola, who only *a posteriori* was *compromised* and baptised the father, in some cases degenerate, of the phantom 'Italian Marxism') and substantially accepted by Gramsci, sees the 'core' of the *realist* doctrine of history in the 'dialectical' principle of the *Praxis* that is reversed. It is no coincidence, then, 'that almost the entire Italian post-World War II Marxist tradition claimed to resolve the problem of the "criticality" of the doctrine in the anti-determinist battle...' (Marramao, 1971, pp. 287-288).

The attempt to construct social action in Labriola thus appears different, where the interest in natural history is as much present in the elaboration of the operative concept of *genetic morphology* as in the interest and importance given to the analysis of 'telluric conditions'.

In this way, the connection to Darwinian interests, on the one hand, and the attempt at the explanation of the economic formation of society as a peculiar process of natural history, on the other, are reconnected to the general instance of the explanation of socio-historical facts, transcending the philosophical-social mediation of Spencerian positivistic evolutionism.

1. GREEN WASHING AND PUBLIC POLICY

If nothing else, sociological analysis, albeit indirectly, has in some way identified how there is an actual datum from which to start: man and nature are two aspects of the same reality, but at a given point in human development this generates contradictions with the surrounding environment. The contrast is not given generically between man and the natural environment, which, in extreme synthesis, constitute a holistic unity and cannot 'ontologically' oppose each other: man is a product of nature and cannot 'destroy' it; instead, he can destroy the specific conditions that make the life of the human species on Earth possible. Which, of course, does not ultimately lead to an opposition between man and nature, but to a conflict *in* mankind over its chances of survival on Earth. For nature to take the form of Earth or Mars is of no consequence. It matters, all right, to mankind as a social entity that wants (would like) to preserve itself.

The opposition thus arises between society's contingent pattern of development and the environment that contains it. The environmental issue, which arose more or less in the middle of the 20th century, can be defined as the set of relations between society and space. This space is being affected by man, in increasingly invasive forms and ways. The reaction of the natural environment is that of a progressive deterioration of living conditions *for* humans on Earth. The measurement of the specific impact of the capitalist system on nature is a matter of debate, but empirical evidence suggests that there is an impact and it is negative. To reiterate: it is not the natural environment that is ruined, but the overall quality of human life that worsens. Hence the centrality assumed by the environmental issue as an eminently political problem. If it is not the generic 'man' entity that comes into conflict with nature, but the particular model of development predominant at a given historical

moment, it is around this factor that the environmentalist dialectic will develop.

The environmental question has thus established itself as a social construction, a terrain of confrontation between different political visions and imaginaries. Yet over the decades it has undergone a process of normalisation that some authors define as both epistemological and political. Epistemological normalisation concerns 'technological solutionism': the contrast between the productive model and the natural environment could be resolved through technical development. Political normalisation concerns the alleged compatibility between the current liberal system of government and the solutions best suited to safeguarding the natural ecosystem. Both of these processes contain truths that should not be underestimated, but have as their underlying limitation that of the depoliticisation of the issue. The terms of the question, which as we have said concern the relationship between the production system and the environment, are misrepresented in an opposition between man and nature due to the physiological expansion of man's own social activities. The natural organism is split into a dualism that ideologically (one might even say 'idealistically') separates man and nature, and their contrasts naturalised and essentialised. With this, the environment is made into something external and opposite to man, and the conflict at some point inevitable.

As far as the 'technical' solution is concerned, this cannot be left solely to the competition of market forces: these would indeed produce technologically advanced solutions, as is the case on a daily basis, but the concrete application and dissemination of these solutions would sooner or later lead to a clash with the productive forces behind technological development itself. Put another way: many of the solutions we expect from technological progress already exist, the problem is to make them pass from the scientific level to the social level. *To impose them*, therefore, while respecting the settling criteria that transition, any transition, entails.

And here the second, directly political, order of problems intervenes. 'Liberal' environmentalism proceeds by individualising the problems and solutions to the environmental question: it is through the sum of personal (or even corporate) behaviour that the fateful 'general interest' is arrived at, in this case declined in the ecosystemic sense. Yet the attempt to break reality down into abstractly equivalent units does not produce the socialisation of solutions, but the elitist selection of these. It will be the well-to-do classes, the economically and culturally better off, the socially better off and geographically favoured - in other words, a clear minority of the Earth's population - who will have at their disposal a carnet of ecological choices to draw from on a voluntary and inscrutable basis. This is what already happens in practice in the world: a small proportion of the population that can afford ecologically sustainable consumption, compared to a majority of the world's population that is forced into the unambiguous choice of pollution. And it is still to be established that the lifestyle of the global north, made up of private cars, air travel and unlimited access to consumption, is less polluting than that of the population of the global south, where pollution is more visible.

Essentially, the preservation of individual freedom, the legally regulated and delimited pursuit of the private interest, the freedom of enterprise and the market, if taken in an extended sense, are at odds with the realisation of political solutions based on the communitarian character of choices, the imposition of norms and lifestyles oriented towards ecosystem preservation. The 'ethical neutrality' of liberal-liberal democracy, by preserving the individual's sphere of autonomy, is also less predisposed to fully elaborate public policies in which a communitarian will is imprinted. The environmental question is then entirely internal to the political dialectic, and concerns the choices that, precisely, distinguish a coherently environmentalist political position from those marked by *greenwashing*.

In a technical sense, greenwashing is a corporate practice aimed at acquiring a 'green reputation', i.e. an ecological one, in the absence of concrete entrepreneurial and production policies other than competitors disinterested in the issue. In the broadest sense, greenwashing is a discursive practice that, acting in the terrain of communication and marketing, preserves the idea that 'ecological modernisation' can take place while maintaining the capitalist institutional and productive framework unchanged, adopting instead punctual, circumstantial solutions, marked by the good use of existing technology, and if anything, blaming the consumer who does not conform to the choices of environmental sustainability. Historically, other political-economic models, such as socialism, have also proved unsuitable for addressing the environmental issue. The fact remains that capitalism's vocation for unlimited production prevents the promotion of effective and structural solutions to the issue.

The unveiling of the instrumental substratum of this what we might call 'green liberalism' has produced, as an understandable (but alienated) form of reaction, the variously conspiratorial and denialist one that, together with the criticism of greenwashing, also invests the reasons that make this model of development progressively unsustainable for mankind on Earth. According to the colourful dietrological narratives, ecologism

(a set of *woke* rhetoric spread by an unspecified 'global technocracy') would be at odds with the realm of individual freedom to consume. It would be one - yet another - attempt at 'global governance' inspired by the 'great reset'. And yet, at the bottom of things, the reactionary critique of environmentalism grasps the crux of the matter: the environmental issue, if addressed in the radical terms that reality dictates, involves precisely the construction of a general limit to the individual freedom to independently dispose of his or her own destiny (as a private consumer and as a private company). It is a choice of civilisation, that is, of politically alternative ways of imagining the progress of civilisation itself, the direction of its development, and the means to achieve it. Every conception of sustainability, be it ecological or, on other levels, economic, financial, digital, and so on, is either understood in the sense of an irruption, in the sphere of individual rights understood in the 'Rawlsian' sense, of a rational will capable of thinking the historical process and political-economic development, or it is part of that *eco-friendly* veneer through which one would like to depoliticise and technicalise the great political issues of our time. Environmental sustainability, understood in its fullest sense, is only possible provided it is accompanied by a form of social transformation that collectivises problems and solutions, rather than individualising them. Techniques, technological development, the sphere of individual rights, are all necessary elements for a solution that can only look to a form of collective planning. Sustainability cannot be the result of behaviour, even if favoured by appealing narratives and economic bonuses; rather, it must be the concept that inspires the action of public policies aimed at governing things and people differently.

2. WHAT SOCIAL SUSTAINABILITY?

All this makes it clear how, even starting with the environmental issue, *sustainability* has now entered the current lexicon of everyday life and in its consolatory shorthand conciseness can give the feeling of being able to completely define the contradictions and sometimes pernicious anfractuosities of development. All for the purpose, at least it would seem, of rescuing the neo-liberal paradigm through an operation of linguistic *maquillage* without, however, questioning it and thus renouncing the possibility of transcending it.

It is in fact since the 1980s of the last century, when the Reagan and Thatcherite versions of the blind faith in the market unleashed by the new capitalism became radicalised, that reasoning on sustainable development and sustainability began to mature. In fact, with the Brundtland Report of 1987, this topic was also addressed at a public level and in this way a more appropriate theorisation of it began to take shape. The term 'sustainability', perhaps because of its polysemy, is much used and perhaps abused, but there is no doubt that the theoretical outcome is represented by the identification of the axiom relating to the certainty that economic development can be reconciled and reconciled with environmental and social issues in order to resolve one of the most tragic dichotomies of contemporary life: that indicated by the conceptual pair economy/environment.

The concept of sustainability thus appears to suffer considerably from a mediating ambiguity that must dialectically resolve the oppositionality of contradictions. This ambiguity, which has nonetheless found its success and which in turn has not been limited to the classic 'quarter-hour of fame', is configured as a project, or rather a cultural imaginary, capable of not wanting to abdicate economic development, using the panacea of the complex use of technical rationality and the participation of the private sector in general in the construction of public choices as tools. In short, one can still read in its watermark a typical, albeit tempered, form of neo-liberalism that becomes the central building block of a *basic personality*, to put it in anthropological-cultural terms, that is, of a precise new *WELTANSCHAUUNG*.

Perhaps one can also transcend the equivocal nature of the concept by avoiding overbearing economicist reductionism and leaving room for the spaces of participation and new subjectivities, but undoubtedly in common usage the very term 'sustainability' seems to be placed precisely in this 'pedagogical' context, (which therefore accepts a tempered neo-liberalism) and not elsewhere as one would sometimes have us believe.

Such considerations can also be framed in the more general and otherwise often very differentiated approaches of current eco-Marxism (we refer to John Bellamy Foster and Paul Burkett's explanation of the metabolic divide on the one hand, and Moore's world ecology on the other, but here also to Malm's fossil capitalism as an example only).

In all cases, Marx's analysis in *Book I* of *Capital*, which identifies the labour process as the general condition of the organic man/nature exchange, which in turn comes to constitute an aspect common to all social forms in human history with the nature-society relationship examined on the morphology of the labour process in the various historical formations and the related transformation for valorisation from use value (goods/products) to exchange value (goods/goods), is taken up. In the era of capitalism and the subjugation of labour to capital,

one can also open up the analysis on the nature-society nexus (unpublished Chapter VI of *Book I of Capital*) with the addition of value creation in the historically determined social formation between nature-labour and value.

To this consideration can be added those of André Gorz who speaks of the costs of capital to regenerate the environment, or the more recent ones of Jason W. Moore who speaks of the unpaid labour of extra-human nature, and James O'Connor who speaks instead of the conditions of production counting the natural world among them.

This critical overview is part of the passionate and multifaceted debate that has been taking place on these issues for decades now. And the challenge is open.

REFERENCES

Agyeman, J. (2013). Introducing just sustainabilities: Policy, planning and practice. Zed Books.

Bramwell, A. (1995). Ecology in the twentieth century: A history. Polity Press.

Cerroni, U. (1991). La cultura della democrazia. Métis.

Certomà, C. (2022). Questione ambientale e transizione ecologica. In C. Certomà, S. Conti, P. Giaccaria, U. Rossi, & C. Salone, Geografia economica e politica (pp. 1-20). Pearson.

Elias, N. (1983). Potere e civiltà. Il Mulino.

Foster, J. B., Swain, D., & Woźniak, M. (2023, April 14). Ecologia marxiana, dialettica e gerarchia dei bisogni. Anthropocene.org. https://antropocene.org/index.php?option=com_content&view=article&id=379:ecologia-marxiana-dialettica-e-gerarchia-dei-bisogni&catid=12&Itemid=148

Gorz, A. (1978). Ecologia politica. Cappelli Editore.

Gradirà, N. (2020, December 16). Critica del liberismo verde. Codice Rosso. https://codice-rosso.net/critica-del-liberismo-verde

Grove, R. H. (1995). Green imperialism. Cambridge University Press.

Maestri, E. (2013). Liberalismo politico e responsabilità ecologica. È concettualmente sostenibile il "green liberalism"? Governing Fear. Journal of Interdisciplinary Studies, 90-121.

Malm, A. (2021). Clima Corona Capitalismo. Perché le tre cose vanno insieme e che cosa dobbiamo fare per uscirne. Ponte alle Grazie.

Meotti, G. (2021). Il dio verde: Ecolatria e ossessioni apocalittiche. Liberilibri.

Arias-Maldonado, M. (2013). Rethinking sustainability in the Anthropocene. Environmental Politics, 22(3), 428-446.

Marramao, G. (1971). Marxism and revisionism in Italy: Dalla "Critica sociale" al dibattito sul leninismo (pp. 287-288). De Donato.

Nelson, S. H. (2015). Beyond the limits to growth: Ecology and the neoliberal counterrevolution. Antipode, 47(2), 461-480.

Paccino, D. (1972). L'imbroglio ecologico: The ideology of nature (p. 229). Einaudi.

Pellizzoni, L. (2019, February 22). Politics, ontologies, ecology. Le parole e le cose. https://www.leparoleelecose.it/?p=34943

Pratesi, C. A. (2011). Greenwashing. Aggiornamenti sociali, 1, 63-66.

Robbins, P. (2012). Political ecology: A critical introduction. Wiley-Blackwell.

Timpanaro, S. (1970). Sul materialismo. Nistri Lischi.

JEP

Firenze University Press
https://oaj.fupress.net/index.php/jep

Original Articles – Sociology studies

Public and Corporate socio-territorial policies. CSR as strategy for a new and enlarged social sustainability

Letizia Carrera

University of Bari Aldo Moro, Italy
E-mail: letizia.carrera@uniba.it

Abstract. The paper emphasizes the growing importance of public-private partnerships in fostering socio-territorial sustainability. It highlights a shift away from the traditional view of businesses as "irresponsible" and driven by predatory motives, toward seeing them as active partners in public policy and governance. Corporate social responsibility is positioned as a key driver of this change, with a focus on engaging businesses in collaborative efforts with public institutions. The study reviews international literature and conducts empirical research involving 100 small and medium-sized enterprises in Bari, examining their corporate welfare practices and engagement with local communities. The findings underscore the importance of business-public sector collaboration in promoting sustainability, revealing both the potential and limitations of corporate social sustainability as not only a cultural paradigm but also a practical tool for business decision-making and territorial governance. This approach aligns with the quintuple helix model, which integrates various sectors in addressing societal challenges.

Keywords: private-public network, corporate social responsibility, socio-territorial sustainability, communities, territories, quality of life.

OPEN ACCESS

Citation: Carrera, L. (2024) Public and Corporate socio-territorial policies. CSR as strategy for a new and enlarged social sustainability. *Journal of Emerging Perspectives* 1: 23-32. doi: 10.36253/jep-16897

Received: July, 31, 2024

Revised: October, 28, 2024

Published: December 16, 2024

Data Availability Statement: All relevant data are within the paper and its Supporting Information files.

Competing Interests: The Author(s) declare(s) no conflict of interest.

ORCID
LC: 0000-0002-7160-347X

1. INTRODUCTION

The concept of sustainability has progressively become more complex, extending beyond the solely environmental dimension to include both economic and social aspects. This shift in perspective is leading to changes in socio-territorial design models based on specific procedural and systemic approaches. Within these, the role of policies that strengthen multifactorial and multilevel networks (Aslaksen et al., 2021; Conzelmann, 2008) capable of responding to changing needs while preserving the cultural models in which sustainability takes shape is central. Thus, we face not only different situations but also new ways of understanding these situations and the processes at play. This awareness prompts learning paths that can impact cultural and regulatory models, generating structural and systemic changes.

A central role must be recognized in the synergies between the public and private sectors, with the latter increasingly called to operate within

logics and models that exceed mere profit, following a Weberian rationality towards purpose, and tempering it with a broader responsibility oriented towards value – in Weberian terms – taking care of its internal and external stakeholders and viewing the territory as a common good and a new bearer of rights. These models guide businesses towards practices connected to corporate social responsibility (CSR) and *beyond the bottom-line* reporting, resulting from an indispensable growing focus on an extended concept of well-being and quality of life.

This extended and complex concept of well-being that guides corporate welfare practices is directed both at internal stakeholders and at the communities residing in the company's reference territories, considered essential interlocutors of the company itself and part of its design processes. In this changed scenario, the connection between institutions and private entities and synergistic actions that do not reduce corporate welfare to a mere substitute for public welfare or function to cover its deficiencies, but rather as an integral part of it, connected with local actors and stakeholders, is fundamental for a shared project aimen at community wellbeing. We are facing an extended model of *responsible welfare* (Cesareo, 2017; Cesareo & Pavesi, 2019) referring to the entire community in a logic of *care* and *self-care* for responsive communities (Carrera, 2022).

Within this substantial cultural shift in perspective, public institutions play a crucial role, called to recognize, support, and enhance these virtuous practices, and in some cases, to coordinate them, going beyond any logic of separation.

2. CORPORATE SOCIAL RESPONSIBILITY

In this perspective, CSR should be understood as a fundamental tool that has guided companies in the logic of a sort of caring for their employees, their families, and even the communities residing in their reference territories.

The European and then the national reflection on "Corporate Social Responsibility", CSR as it is mentioned in international documents and guidelines, is part of this project of (re)construction of new forms of solidarity between corporates and local territories. It found its regulatory structure in the Green Book of the European Commission of 2001, which defines it as "voluntary integration by companies of social and environmental concerns into their commercial activities and their relations with stakeholders" (point 20). The aim is guaranteeing a "more competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion" (point 6). CSR is the only relatively recent result of the awareness of how much it is possible to achieve social objectives also in the market, allowing companies to carry out their production activities in accordance with their own ethical guidelines (Carrera, 2005). It can be interpreted as a response and reaction to a widespread shift towards neoliberal positions, turned out to be increasingly central (Freeman et al., 2006). According with what is stated on the website of the Ministry of Labour "by renewing the efforts to promote CSR, the European Commission intends to create favourable conditions for sustainable growth, ethically responsible behaviour of companies, and the creation of lasting employment in the medium and long term, also through a new corporate governance, which must look at the human and social capital of local communities as a form of sustainable investment". An expanding body of literature has highlighted the long-term evolution of this concept (Carroll, 2021; Idowu et al., 2017; Latapí Agudelo et al., 2019; Matten & Moon, 2020; Windsor, 2021). This evolution is the result of cultural shifts in scientific, public, and media discussions (Paul & Parra, 2021; Askalen et al., 2021). Simultaneously, the extensive discourse on CSR has itself been a driving force behind this change.

CSR emerged in the post-World War II era, driven by a growing awareness of civil rights for various groups of citizens and future generations at social and environmental levels. Starting from the 1960s, the theme gained increasing attention among entrepreneurs, regulatory bodies, and political and academic circles. Initially, CSR was driven by the individual sensitivity and philanthropic efforts of entrepreneurs. However, it has evolved into a broader, more structured concept with global significance. Today, the institutionalization of CSR is evident through the creation of specific roles such as CR Officer, CSR Officer, Director of Sustainability, Director of Philanthropy, and Compliance and Ethics Officers (Carroll, 2015; 2021). CSR has moved beyond the dichotomy of altruism and strategic rationalization. The key point now is the recognition of CSR as an example of the inextricable link between companies and societies, envisioned as connected by a virtuous economic and social bond.

The term "Corporate Citizenship", although similar in meaning to CSR, this term serves as a useful metaphor, emphasizing that companies, like citizens, have responsibilities and duties (Carroll, 2015; Paul & Parra, 2021). This semantic shift from the "Business and Society" model to the "Business in Society" model underscores the evolving perception of the role of businesses within the broader social context. Discourses are always rooted in specific socio-political and cultural contexts,

and the main topics of CSR have evolved over time (Mark-Ungericht & Weiskopf, 2007) as a result of ongoing debates involving different and sometimes competing meanings and narratives (Brown et al., 2016). This new representation of the relationship between companies and communities is based on a broader assumption of responsibility that aims to counteract or, at the very least, mitigate behaviors and decisions driven solely by profit. The necessity for cultural and regulatory interventions that mitigate the most harmful effects of the traditional business model, stems from the awareness, as discussed by Luciano Gallino (2005), that irresponsible enterprises are not a deviation from the model but rather a direct result of managerial capitalism. Within this model, companies tend to operate irresponsibly due to economic intrinsic and structural patterns. Unethical behaviors that directly impact employees, who are the company's first stakeholders and "internal customers," include choices related to human resources: "The company employs as few people as possible and tends to lay off employees to create value; it aims to retain and acquire loyalty from only a small core of staff; it employs a high percentage of precarious or temporary workers; it prefers to use available resources for financial operations rather than new investments" (Gallino, 2005, p. 124).

The model of *irresponsible corporate*, to continue using Gallino's words, concretely shapes the condition that Ulrich Beck (1992) described as the "society of the consequences of secondary consequences," where individuals bear the effects of decisions made elsewhere over which they have no control. This model breaks the social bond, creating a profound dichotomy and transforming society for some subjects into a Luhmanian "danger society" and for others into a "risk society," distinguished precisely by the possibility of making decisions or, instead, having to merely endure them (Luhmann, 1996).

This risky process underscores the necessity for creating binding pathways for enterprises to fully assume responsibility in order to achieve sustainability goals, considered in the wider sense, even moving beyond the theoretical validity of voluntary action. Although the concept has recently been criticized as an "empty signifier" – implying that while it seems to address fundamental concerns, it lacks specific meaning and can be interpreted in various ways (Brown, 2016) – it still maintains theoretical and practical significance. Similarly, despite the empirical uncertainty regarding actual convergence among the numerous codes, standards, and frameworks designed to guide sustainable organizations, many argue that the reporting of sustainability performance indicators (De Cambourg, 2019; GRI & USB, 2020; IFRS Foundation, 2020; KPMG, 2017) is approaching a critical threshold (Coulmont et al., 2022).

"Companies should consider an innovative and more responsible triple bottom line of reporting and of the planning itself. It should be capable of incorporating the concept of sustainable development in the evaluation of performances, starting from the identification of more complex indicators of an economic (ability to produce income, profits and employment), social (ability to guarantee conditions of well-being and fair and supportive growth, in compliance with human and labor rights) and environmental nature (ability to guarantee reproducibility and quality of natural resources) (Perrini, 2006; 2007; Perrini & Tencati, 2008)" (Carrera, 2022, pag. 5). In the CSR perspective, companies reconceptualize themselves beyond purely economic terms and reconsider their stakeholders accordingly: "Corporate social responsibility extends beyond the doors of the company into the local community and involves a wide range of stakeholders in addition to employees and shareholders: business partners and suppliers, customers, public authorities and NGOs representing local communities, as well as the environment" (Green Paper 2001 pag. 42). In this view, the concept of stakeholder includes not only the entire local community but also the broader civil society.

Corporates are thus orienting themselves towards stakeholders in an increasingly broad sense, in line with the evolving concept of stakeholders. The stakeholder theory, indeed, originates from a deliberate wordplay to highlight the comparison and distinction from the previous stockholder theory. The latter, associated with Friedman in the 1960s, asserted that a company's sole purpose is to generate profit, provided it operates within fair competition and legal boundaries. Conversely, the stakeholder theory introduces an ethical dimension into the previously purely economic framework, acknowledging the company's responsibility towards "*All individuals with whom it has a relationship and who, in various ways, affect the business*." (Giaretta, 2000; pag. 44). In this new perspective, management has a fiduciary responsibility not only to shareholders but also to other entities and individuals, extending the company's responsibility beyond mere financial metrics, or "beyond the last line of the balance sheet." The shift from stockholder theory to the more post-Fordist stakeholder theory marks a significant change in the company's strategic logic regarding responsibility, time horizons, and the types of benefits and costs involved. As Pelanda and Savona (2005) note, this involves planning and coordinating synergistic actions between companies and both current and potential stakeholders, including investors,

employees, suppliers, consumers, trade unions, associations, environmentalists, the third sector, local communities, and, with an increasing weight, public institutions. The goal is to build and maintain essential alliances between entities and individuals who often have seemingly divergent interests.

CSR could be considered a dynamic process of "progressive acquisition of reference horizons", representing a transition from initial social irresponsibility to the assumption of responsibility, not just economically, but also for any negative externalities resulting from specific business actions. The change from the old to the new CSR model is central to this shift (Auld et al., 2008, pag. 415). « In the older one, efforts are largely focused on corporate philanthropic activities that usually had little to do with the firm's core business practices. Instead, the new CSR is squarely focused on internalizing firm negative externalities, and, in this perspective, the next generation of CSR has the potential to become an effective tool within domestic and global environmental and social governance» (Carrera, 2022).

With this transition, companies are compelled to engage in dialogue with the broader social and, moreover, institutional context. From this standpoint, the concept of CSR remains closely intertwined with the objective of fostering a high level of territorial cohesion (Davoudi, 2005; Faludi, 2009; 2013; Medeiros, 2019; Amin et al., 1992).

Over the past few years, there has been a notable resurgence of interest in understanding the role of CSR in addressing environmental and social issues (Auld et al., 2008) and in stimulating the action of public administration. To achieve this objective, the adoption of ethical codes should evolve towards a firm commitment to engage in socially responsible behaviors, starting at the local community level. CSR is presented as a virtuous integration of top-down national and supranational regulatory guidelines with bottom-up needs and initiatives drawn from national and international best practices (such as transparent financial reporting, procedures for supplier identification, a focus on human resources development, and social and environmental reporting).

CSR is portrayed as a complex and ambitious endeavor, the success of which is both challenging and desirable. A critical but essential step in this process is transitioning from the regulatory and planning phase to the implementation phase, where this multifaceted concept is translated into actionable practices. Concerning the implementation phase, companies themselves highlight several challenges, including a lack of tools, expertise, and financial resources for such projects. These challenges represent more of a cultural obstacle than an economic one, particularly for multinational corporations, given their characteristics that make them less tied to specific territories compared to medium and small-sized enterprises. It would be beneficial to provide widespread and standardized tools for environmental management that could serve as stringent reference criteria for various types of companies while accommodating their specific characteristics.

CSR has the potential to transform market behavior and serve as a significant force for social and environmental change. Simultaneously, it may also offer economic advantages for enterprises themselves. As Luis Moreno pointed out regarding strategies for achieving work-life balance for women, "the case for reconciling work and family responsibilities illustrates how these 'meeting points' between welfare and CSR can advance citizenship and optimize business activities" (2010, pag. 691).

3. INVESTMENT IN THE TERRITORY AS NEW STAKEHOLDER: TERRITORIAL CORPORATE WELFARE

Beyond the progressively increasing importance given to attention towards internal stakeholders within companies, which can be traced back to the studies and reflections of the authors of the Human Relations School such as Elton Mayo in the 1950s, the true innovation lies in the sense of new possible territorial alliances and territorial corporate welfare. This label encompasses a series of services, actions, and innovative choices directed towards the territory and implemented by companies, often in synergy with local public institutions. A networking aiming for a higher level of well-being understood in a broad sense and perceived as a responsibility that must be shared.

Corporate welfare encompasses a broad range of beneficiaries, both internal and external, who are integral to the company's core activities. This is understood not merely as an exchange but as a response to the rights of workers and the community, framed within a holistic ecological perspective. Corporate territorial welfare aims to complement rather than replace public welfare, enhancing the overall system's ability to meet the well-being needs of communities. A corporate welfare plan can benefit both the company and its employees (Tessema, 2013). It can improve corporate environmental awareness, boost employee well-being and attractiveness to potential new hires, increase employee retention, enhance the company's employer branding reputation, and elevate its productivity and market reputation.

Effective communication of a company's welfare plan to both internal and external stakeholders is crucial (Free-

man et al., 2006). According to Granovetter's "embeddedness theory" (1993), economic behaviors and situations are deeply rooted in social and institutional relationships, considering them in isolation is a significant error. As a result, many economic and corporate actions transcend pure computational rationality, being instead embedded in systems of active social and personal relationships. These characteristics shape the specific configuration of economic relations systems (Moro, 1998).

After a period characterized by Anglo-Saxon neoliberalism and the marginalization of corporate welfare choices (Grandi, 2014), there has recently been a renewed focus on corporate welfare plans, especially among large companies with specific corporate cultures and resources to implement targeted interventions. Medium-sized and small-sized companies have also shown increasing interest in corporate welfare as a strategic tool to improve their relationships with the communities where they operate. For these smaller enterprises, corporate welfare can be challenging due to their limited number of employees – hence fewer potential beneficiaries – and their widespread geographical distribution.

But on the cultural level, in the last decades, something is changing. It is impossible to ignore these specific characteristics make it difficult to implement best practices, requiring significant effort to coordinate various offices, and there is often a distrust among small and medium-sized entrepreneurs about joining associations due to fear of losing control over the process. But some research's conducted in the Apulian industrial region suggests, the solution for small and medium-sized enterprises may lie in creating inter-company welfare plans involving public actors, businesses, and trade unions to achieve economies of scale otherwise unattainable due to their small size. Work-life balance is a crucial aspect of corporate welfare, providing essential conditions for strategies that reconcile private and work needs, often in collaboration with the cooperative sector to ensure a high quality of working life (Pavolini, 2016).

In this context, the significance of corporate territorial welfare is emphasized, serving as the most innovative expression of CSR, as a strategic tool to combat also social and geographical marginalization (Faludi, 2010; Luukonen, 2010), ensuring polycentric and socially sustainable development of territories and enhancing the quality of life for local communities. Politically, this reflects the principle of territorial democracy, which aims to provide quality spaces with services and opportunities regardless of location (Carrera, 2020). This principle is especially vital for urban, suburban, and peri-urban areas characterized by significant disparities (Colleoni, 2013; 2019). The goal is to overcome the division of territories into privileged, well-serviced areas – typically city centers – and under-serviced areas – usually the suburbs – forcing residents to travel for services or, if unable, to avoid to give them up.

Mauro Magatti observes how much «even today, the social polarizations between the center and the periphery remain conspicuous, and for some even strengthened by the dynamics associated with the knowledge economy. Beyond the irenic narratives about the "creative city", the development of the advanced tertiary sector tends, in fact, to accentuate the differences between the globalized knowledge workers and the poor workers of the peripheries, as first highlighted by Saskia Sassen [and Leonie Sandercook (2003)] in his studies of global cities» (2020, p. 87).

The spatial and symbolic divide between affluent areas and deprived ones has particularly concrete and detrimental effects on the most socially vulnerable individuals. For these groups, this divide can feel like a deep social wound. Addressing this, a fundamental shift in the understanding of CSR is crucial. By focusing on requalifying and valorizing territories, this new perspective on CSR can significantly enhance the quality of life for citizens and counteract territorial *peripherality* (Carrera, 2021).

The next generation of CSR has the potential to become a powerful tool in both domestic and global environmental and social governance (Auld, Bernstein, Cashore, 2008). Unlike earlier efforts that focused on corporate philanthropy disconnected from core business practices, modern CSR aims to internalize a firm's negative externalities and integrate responsibility into the company's core activities, while still contributing to the community. The goal of territorial cohesion is linked to strengthening the social capital of the region, encompassing elements of civil society such as culture, prevailing attitudes, consensus, trust, and shared values. These factors increasingly constitute a competitive advantage for certain regions and the companies within them (Moro, 1998), especially by valuing public-private partnerships, both in terms of immediate impacts and long-term transformations through stakeholder learning (Auld, Bernstein, Cashore, 2008).

4. CORPORATE SOCIAL AND TERRITORIAL WELFARE. A MIXED-METHODS RESEARCH IN THE METROPOLITAN AREA OF BARI

4.1. Research plan

On the theme of CSR and companies' choices to implement actions of corporate and territorial welfare directed at internal and external stakeholders, a mixed-

methods research was conducted from March to October 2023, carried out in collaboration by University of Bari "Aldo Moro", Confimi Industria, Intrapresa Centro Studi, Libera Università del Mediterraneo "Giuseppe Degennaro". The research was initiated with a series of interviews with entrepreneurs and employer representatives, as well as some focus groups involving entrepreneurs, executives, and experts in corporate welfare. Within the framework of these meetings, actions already implemented were analyzed, but above all, critical issues, deficiencies, and future projects were discussed. Based on the analysis of these data, a structured questionnaire was developed and administered to one hundred companies in the Bari metropolitan area affiliated with Confimi, aimed at verifying the types of services offered by companies to their employees and the local community, as well as those in the planning phase.

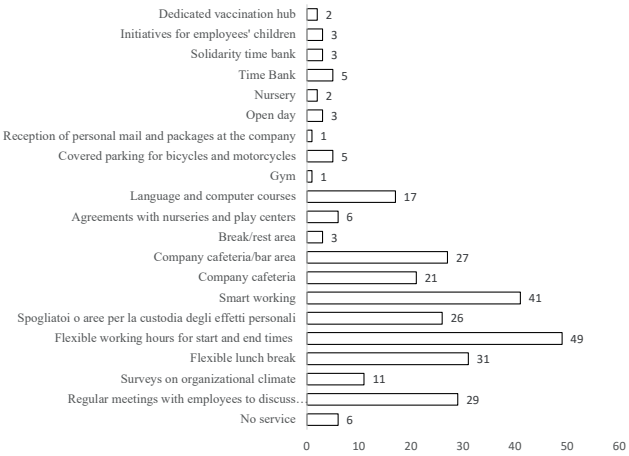

Figure 1. Frequency of company services/activities referred to employers.

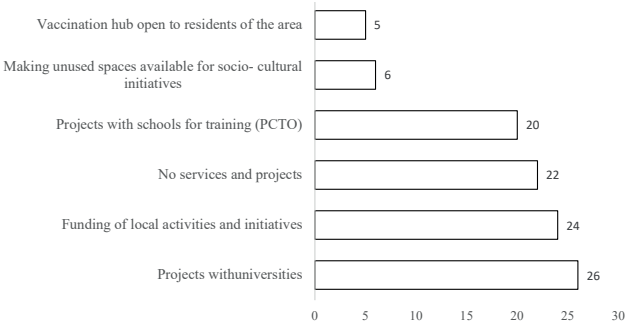

Figure 2. Services and activities aimed at the community/territory.

4.2. Analysis of results

Some of the variables investigated and assumed to be independent, such as the company's sector, its longevity in the market, and even the presence of a dedicated human resources manager within the company, emerged as poorly discriminatory. Instead, the awareness and orientation of individual entrepreneurs on these issues appeared to be significant, which is understandable given the sample of medium and small-sized businesses that were referred to.

Regarding the specific services provided to employees, a profound differentiation emerged, particularly focused on time management and reconciliation actions, but also extending to other areas such as recreational activities.

Regarding the unfortunate recent experience of the COVID-19 pandemic, some entrepreneurs stated that they had established, in agreement with public institutions, particularly with the Health Department of the Puglia Region, a vaccination hub dedicated to employees but also open to the community, thus confirming the model of the community holder.

For the purposes of this analysis, the services and activities directed at employees (Fig. 1) are of particular interest, as well as those related to the territory (Fig. 2), considering, along with the communities residing there, as external stakeholders according to the "community holder" model.

As observed, it is the reference to the territory that represents the true space of innovation, involving in a more pronounced and innovative way the relationship with public institutions, both as administrations and as research centers and universities.

It is evident that the services designed for the territory result from a public-private collaboration that, in this case, companies have stated to have initiated, but for which they lament the lack of closer and more continuous collaboration. It is also this deficiency, along with a still relatively limited culture of CSR, that the entrepreneurs involved in the study attribute to the low number of services and opportunities directed towards the territories. The very low numbers of services developed and offered to the territory are not even compensated by the prospect of future planning, which shows absolutely negligible numbers (Fig. 3). It also emerges that companies aiming to implement additional services are those that already have a significant current provision.

By analyzing the qualitative data obtained from meetings with some entrepreneurs from the same territory and the qualitative insights derived from certain open-ended questions in the questionnaire, as well as from individually conducted interviews, it was possible to cross-reference two foundational dimensions. These

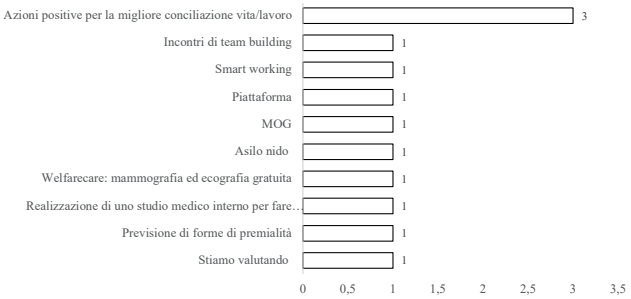

Figure 3. Activities and project in the planning phase.

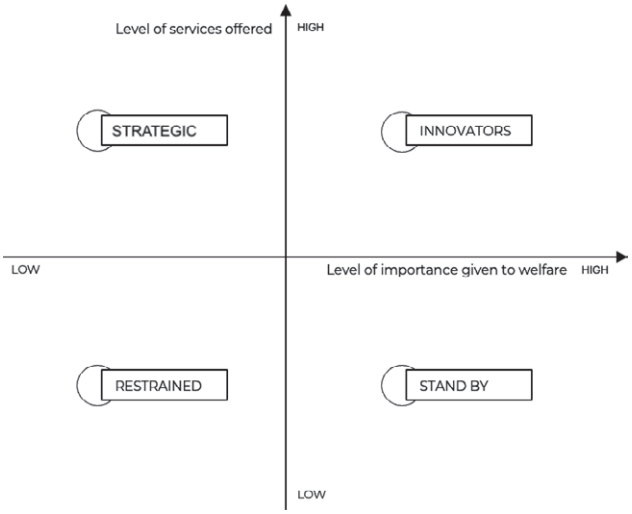

Figure 4. The four categories of entrepreneurs.

dimensions enabled the construction of a typology with four categories of entrepreneurs (Fig. 4).

The *innovative entrepreneurs* are those who heavily invest in corporate welfare and declare a strong sense of responsibility towards their employees, as well as towards their families and the local communities. It is to this type that those who wish for a higher level of communication with public institutions and greater involvement in decision-making processes can be attributed.

On the other hand, the *strategic entrepreneurs*, while offering at least a moderate number of services, do not declare a particular focus on welfare, considering it more as a necessary choice to ensure the well-being of their employees, and they concentrate their offerings primarily on them.

The *restrained entrepreneurs* are those whose companies have a low or non-existent number of services directed towards internal stakeholders and virtually none for external ones. They also declare to have nothing in the planning phase, thus showing the structural nature of the described condition.

The *stand-by entrepreneurs*, while offering a low level of services, recognize the fundamental function of corporate welfare and public-private relationships for a more effective offering for the well-being and growth of the territory. It is to them, in particular, that the research has turned to in defining a sort of catalog of best practices, which is continuously expandable, to enhance existing best practices and build projects and mixed partnerships.

Entrepreneurs belonging to both the first and fourth types described have highlighted that among the interventions functional to enhancing the quality of the territory in terms of innovation and well-being, the following should be considered: a) Encouraging structured meetings and networks for dialogue among entrepreneurs, also for the sharing and/or joint design of best practices. b) Facilitating internal communication within the company for the periodic identification of employees' needs and "desires"; network proposals and interconnections. c) Opening the company to territorial networks with schools, associations, and universities. d) Promoting and supporting the implementation of targeted scientific research that guides choices and investments in corporate welfare. e) Promoting greater interconnection with territorial institutions for the implementation of integrated welfare plans. f) Finding forms of public co-financing of activities or tax breaks that reward "virtuous" companies.

5. CONCLUSIVE NOTES

Within the context of questioning the model of the irresponsible enterprise (Gallino, 2005), driven by a predatory intent towards its own territory, it can become possible moving towards more complex visions. Every regulatory and social mechanism aimed at fostering responsible enterprises thus becomes a crucial bridge towards a model of territorial cohesion that encompasses both social and spatial protection. As Simin Davoudi (2005) observed, focusing on territorial cohesion can potentially reshape European spatial policy by integrating aspects of spatial and social justice.

The diffusion and penetration of the principles of CSR into corporate culture represent a central element in generating a new model of territorial governance. Extending the system of services not only to internal stakeholders, a more classical approach already presents in the Human Relations analysis, but also to the communities present in the company's reference territories, is the true element of innovation capable of constituting a *double-loop learning* process for the organizations themselves

(Argyris & Schön). These organizations demonstrate that they recognize themselves as fundamental actors in the territory and, as mentioned, in its governance strategies.

At the same time, this change represents a shift in perspective for public institutions themselves, whose contribution is essential for the provision of territorial services. Driven by this changed model of cultural and organizational orientation within enterprises, these institutions are also modifying, enhancing, and accelerating the transformation of the territorial multilevel governance model, emphasizing its multi-actor nature. Thus, a causal circularity can be created between the private and public sectors, within which communities can find conditions for increased protagonism.

This different and innovative quality of territorial networks can come to be configured as one of the «local collective competitive goods» (Trigilia et al., 2004), capable of representing, at the same time, both a factor of attractiveness for new investments and productive settlements, and a central element within a strategy able to guarantee higher levels of quality of life and well-being for individuals and communities.

REFERENCES

Amin, A., Charles, D. R., & Howells, J. (1992). Corporate restructuring and cohesion in the new Europe. *Regional Studies, 26*(4), 319–331.

Argyris C., Schön D. A. (1978). Organizational Learning: A Theory of Action Perspective. Boston: Addison-Wesley Publishing Company.

Aslaksen, H. M., Hildebrandt, C., & Johnsen, H. C. G. (2021). The long-term transformation of the concept of CSR: towards a more comprehensive emphasis on sustainability. *International Journal of Corporate Social Responsibility*, 6, 11.

Auld, G., Bernstein, S., & Cashore, B. (2008). The new corporate social responsability. *Annual Review Environronment*, 33, 413–435.

Beck, U. (1992). *Risk society: Towards a new modernity*. London: Sage.

Brown T. (2016). Sustainability as empty signifier: Its rise, fall and radical potential. *Antipode 59*(1), 115–133.

Carrera, L. (2005). Gli intricati percorsi della responsabilità sociale di impresa. *Studi di Sociologia*, (4), 421–438. ISSN 1827-7896

Carrera, L. (2022). Corporate Social Responsability. A strategy for social and territorial sustainability. *International Journal of Corporate Social Responsibility*.

Carrera, L., (2021), Complessità e innovazione. Le sfide del buon governo delle città. In G. Dioguardi, L. Carrera, F., Maggiore (a cura di). *City School Bari. Il governo della città complessa*. Franco Angeli Milano.

Carroll (2021). *Corporate social responsibility: Perspectives on the CSR construct's development and future*. Business & Society.

Carroll, A. B. (2015). Corporate social responsibility: The centerpiece of competing and complementary frameworks. *Organizational Dynamics, 44*(2), 87–96.

Cesareo, V. (2017). *Il welfare responsabile*. Milano: Vita e Pensiero.

Cesareo, V., Pavesi, N. (eds.) (2019). *Il welfare responsabile alla prova. Una proposta per la società italiana*. Milano: Vita e Pensiero.

Colleoni, M. (2019). PeriUrbanization. In A. M. Orum (Ed.), *The Wiley Blackwell encyclopedia of urban and regional studies*, (pp. 1–5). JohnWiley & Sons Ltd.

Colleoni, M., Caiello, S. (2013). Il peri-urbano e i suoi caratteri socio-territoriali. Una proposta analitica e empirica in Lombardia. *Sociologia Urbana e Rurale, 102*, 97–115.

Conzelmann, T. (2008). Efficient and legitimate? Reflections on multi-level governance. In T. Conzelmann, & R. Smith (Eds.), *Multilevel governance in the European Union: taking stock and looking ahead*, (pp. 11–30). Baden Baden: Nomos.

Coulmont, M., Berthelot, S., & Gagné, V. (2022). Sustainability performance indicator trends: a Canadian industry-based analysis. International Journal of Corporate Social Responsibility, 7, 2.

Davoudi, S. (2005). Understanding territorial cohesion. *Planning, Practice & Research, 20*(4), 433–441.

de Cambourg, P. (2019). Ensuring the relevance and reliability of non-fnancial corporate information: An ambition and a competitive advantage for a sustainable Europe, (p. 289). http://www.anc.gouv.fr/fes/live/sites/anc/fes/contributed/ANC/4.%20Qui%20sommes-nous/Communique_de_presse/Report-de-Cambourg_extra-fnancial-informations_May2019:EN.pdf.

Faludi, AKF. (2009). Territorial cohesion under the looking glass: synthesis paper about the history of the concept and policy background to territorial cohesion. European Commission, Regional Policy, Inforegio.

Faludi, A. (2010). *Cohesion, coherence, cooperation: European spatial planning coming of age?* London: Routledge.

Faludi, A. (2013). Territorial cohesion, territorialism, territoriality, and soft planning: a critical review. *Environment and Planning, 45*(6), 1302–1317.

Freeman, E. R., Velamuri, R. S., & Moriarty, B. (2006). *Company stakeholders responsibility: a new approach*

to CSR. Business roundtable Institute for Corporate Ethics, Bridge Papers.

Gallino, L. (2005). *L'impresa irresponsabile*. Torino: Einaudi.

Giaretta, E. (2000). *Business ethics e scelte di prodotto*. Padova: CEDAM.

Grandi, (2014). *Introduzione in Adriano Olivetti. L'ordine politico delle comunità*. Roma: Edizioni di Comunità.

GREEN PAPER Promoting a European framework for Corporate Social Responsibility (2001). Responsibility. Retrieved from: https://eur-lex.europa.eu/EN/legal-content/summary/green-paper-on-corporate-social-responsibility.html

GRI & USB, (2020). Carrots & sticks-sustainability reporting policy: global trends in disclosure as the ESG agenda goes mainstream. Retrieved from https:// www.carrotsandsticks.net/.

Idowu, S. O., Vertigans, S., & Burlea A. S. (2017). *Corporate Social Responsibility in Times of Crisis. Practices and Cases from Europe, Africa and the World*. Springer Cham.

IFRS Foundation. (2020). Consultation paper on sustainability reporting. Retrieved from: https://www.ifrs.org/projects/completed-projects/2021/ sustainability-reporting/consultation-paper-and-comment-letters/

KPMG (2017). *The KPMG survey of corporate responsibility reporting 2017*. Swiss: KPMG International Cooperative.

Latapí Agudelo, M. A., Jóhannsdóttir, L., & Davídsdóttir, B. (2019). A literature review of the history and evolution of corporate social responsibility. *International Journal of Corporate Social Responsibility, 4*(1).

Luhmann, N. (1996). *Sociologia del rischio*. Milano: Mondadori.

Mac Luhan, M. (1964) (trad.it 1967). *Gli strumenti del comunicare*. Milano: Bompiani.

Magatti, M. (2020). Sicurezza/insicurezza: come si resiste alla città?, in P. Piscitelli (ed.), *Atlante delle città. Nove (ri)tratti per un viaggio planetario*, (pp. 85–98). Milano: Feltrinelli.

Mark-Ungericht, B., & Weiskopf, R. (2007). Filling the empty shell. The public debate on CSR in Austria as a paradigmatic example of a political discourse. *Journal of Business Ethics, 70*(3), 285–297.

Matten, D., & Moon, J. (2020). Reflections on the 2018 decade award: The meaning and dynamics of corporate social responsibility. *Academy of Management Review, 45*(1), 7–28.

Medeiros, E. (2014). Assessing territorial impact on the EU question policy at regional level: the case of Algarve. *Impact Assessment and Project Appraisal, 32*(3), 198–212.

Medeiros, E. (2016). Territorial cohesion: an EU concept. *European Journal of Spatial Development, 14*(1), 1–30. 10.5281/zenodo.5141339

Medeiros, E. (2019). *Territorial cohesion. The urban dimension*. Cham: Springer International Publishing.

Mirwaldt, K., Mmaster, I., & Bahtler, J. (2009). Reconsidering cohesion policy: The contested debate on territorial cohesion, in European policy research paper, number 66, march 2009. Glasgow: European Policy Research Center.

Molteni, M. (2008) (ed). Responsabilità sociale d'impresa. Come le PMI possono migliorare le performance aziendali mediante politiche di CSR. Logiche, strumenti, benefici. IlSole24Ore.

Moreno, L. (2010). Welfare mix, CSR and social citizenship. *International Journal of Sociology and Social Policy, 30*(11/12), 683–696.

Moro, G. (1998). *La formazione nelle società post-industriali. Modelli e criteri di valutazione.* Roma: Carocci.

Nyssen Guillén, V. I., & Deckert, C. (2021). Cultural influence on innovativeness - links between "the culture map" and the "global innovation index". *International Journal of Corporate Social Responsibility, 6*(7).

Paul, K., Parra, C. M. (2021). Corporate social responsibility in international business literature: Results from text data mining of the journal of international business studies. *International Journal of Corporate Social Responsability, 6*(12), 1-14.

Pavolini, E. (2016). *Welfare aziendale e conciliazione. Proposte esperienze dal mondo cooperativo.* Bologna: il Mulino.

Pelanda, C., & Savona, P. (2005). *Sovranità & fiducia*. Milano: Sperling & Kupfer.

Perrini, F. (2006). Corporate Social Responsibility: Nuovi equilibri nella gestione d'impresa. Economics and Management, 2.

Perrini, F. (2007). *Social Entrepreneurship: Imprese innovative per il cambiamento sociale.* Milano: Egea.

Perrini, F., Tencati, A. (2008). *Corporate Social Responsibility – Un approccio strategico alla gestione d'impresa.* Milano: Egea.

Pichierri, A. (2002). *La regolazione dei sistemi sociali. Attori, strategie, strutture*. Bologna: il Mulino.

Sandercook, L. (2003), *Cosmopolis II: Mongrel Cities of the 21st Century.* London: A&C.

Schein, E. H. (2010). *Organizational culture and leadership* (4th ed.). U.S: A., John Wiley & Sons.

Tessema, M., Ready, K., Embaye, A. (2013). The Effects of Employee Recognition, Pay and Benefts on Job Satisfaction: Cross Country Evidence.

Trigilia C., Crouch C., Le Gales P., Voelzkow H. (2004), *I sistemi di produzione locale in Europa*, il Mulino, Bologna.

Windsor, D. (2021). Political and ethical challenges of 2025: Utopian and dystopian views. In S. H. Park, M. A. Gonzalez-Perez, & D. Floriani (Eds.), *The Palgrave handbook of corporate sustainability in the digital era*, (pp. 13–236). Palgrave Macmillan.

Zamagni, S. (1994). *Economia ed etica: saggi sul fondamento etico del discorso*. Roma: Edizioni AVE.

Zamagni S. (2003). La responsabilità sociale dell'impresa: presupposti etici e ragioni economiche, www.mi.camcom.it.

JEP

Firenze University Press
https://oaj.fupress.net/index.php/jep

Original Articles – Management Studies

Navigating the challenges of ESG communication on social media

Cecilia Casalegno[1,*], Valentina Chiaudano[1], Mattia Tamiazzo[1], Philip J. Kitchen[2]

[1] *Department of Management, University of Turin, Italy*
[2] *ICN-Artem School of Business, France*
E-mail: cecilia.casalegno@unito.it; valentina.chiaudano@unito.it; mattia.tamiazzo@unito.it; philip.kitchen@icn-artem.com
*Corresponding author.

Abstract. The paper investigates the challenges for effectively communicating corporate Environmental, Social, and Governance (ESG) initiatives on social media. As stakeholder expectations regarding ESG transparency increase, it has become critical to communicate these efforts to various stakeholders, including investors, consumers, employees, and regulators. The study emphasises the challenge of finding the right balance in corporate sustainability communication, as under and over-communication can have negative consequences. Over-communication can lead to accusations of greenwashing, while under-communication can create perceptions of negligence. This research uses a multiple case study approach to analyse the ESG communication practices of top global brands listed in the 2024 Global RepTrak® 100, employing Leximancer, a content analysis tool, to identify key themes and insights. The findings highlight successful communication strategies for promoting stakeholder engagement and upholding corporate reputation in an increasingly digital and interconnected environment. The study contributes to the literature on sustainability communication by offering updated strategies for effective ESG communication, aiding companies in navigating the challenges posed by the digital age.

Keywords: ESG, corporate communication, social media, community, impact.

Citation: Casalegno, C., Chiaudano, V., Tamiazzo, M., & Kitchen, P.J. (2024) Navigating the challenges of ESG communication on social media. *Journal of Emerging Perspectives* 1: 33-42. doi: 10.36253/jep-16898

Received: September, 30, 2024

Revised: October, 17, 2024

Published: December, 16, 2024

Data Availability Statement: All relevant data are within the paper and its Supporting Information files.

Competing Interests: The Author(s) declare(s) no conflict of interest.

ORCID
CC: 0000-0002-8317-8642
VC: 0000-0003-3249-698X
MT: 0009-0000-8325-1048
PJK: 0000-0002-3128-9527

1. INTRODUCTION

One of the most pressing challenges for businesses today lies in adapting to evolving environmental, social, and governance (ESG) expectations while communicating these efforts effectively. In an increasingly interconnected world, companies must use global and local strategies to emphasise their social and environmental impacts (Cornelissen, 2023; Watson & Kitchen, 2008). The rise of ESG as a critical metric for evaluating corporate responsibility has shifted how companies define success – not only in terms of financial returns but also in terms of their impact on stakeholders and the environment (Khan et al., 2016). This broader approach to value creation requires firms to align their

operations with the growing expectations for transparency, accountability, and ethical behaviour.

As firms integrate ESG into their strategic outlook, they must also consider how best to communicate these efforts to diverse stakeholders, including investors, consumers, employees, and regulators (Perrini & Vurro, 2013 El-Bassiouny et al., 2018). Corporate communication, once seen primarily as a tool for managing brand reputation, is now crucial in fostering long-term relationships and maintaining trust among these groups (Kitchen & Watson, 2010; Palazzo et al., 2020). The challenge, however, lies in balancing the communication of sustainability initiatives – avoiding both the traps of over-communication, which can lead to accusations of greenwashing, and under-communication, which can make the company's efforts seem disingenuous or invisible (Pezet & Casalegno, 2017; Casalegno & Civera, 2016).

Effective sustainability communication requires companies to provide evidence of their social and environmental commitments transparently and consistently. Literature (Casalegno & Civera, 2016; Pezet & Casalegno, 2017; Brondoni & Bosetti, 2018) has highlighted that organisations often struggle to strike this balance. Over-communication, where firms emphasise sustainability efforts that could be better-founded or sufficiently impactful, can damage corporate reputation, especially as stakeholders now have the tools to fact-check and challenge such claims. Conversely, companies that under-communicate their sustainability initiatives risk being seen as negligent or apathetic toward social and environmental issues, even when substantial efforts are made. Both scenarios have critical implications for corporate reputation, which is increasingly shaped by perceptions of authenticity (Hur et al., 2014).

Adding to these complexities, the rise of digital communication platforms has transformed how companies engage with stakeholders. Traditional one-way communication methods, such as press releases and annual reports, are now supplemented by multi-directional, real-time dialogue on social media and other digital platforms (Matten & Moon, 2008). This shift enables companies to interact with stakeholders more responsively and transparently, but it also increases the risk of rapid reputational damage if such communication is not handled carefully. Misinformation or exaggerated claims about sustainability can quickly spread across digital networks, negatively affecting a company's public image (Delmas & Burbano, 2011).

Incorporating ESG considerations into corporate communication strategies requires a nuanced approach that aligns with the broader goals of the business and addresses the specific concerns of different stakeholder groups. ESG frameworks emphasise the need for companies to mitigate their negative impacts and proactively contribute to societal well-being and environmental sustainability (Eccles et al., 2014). Firms that succeed in aligning their ESG strategies with transparent communication practices are better positioned to build trust and secure long-term stakeholder support (Reptrak Company, 2024).

This paper explores the evolving landscape of sustainability communication, particularly within ESG integration. It extends discussion over the balance of under- and over-communication in corporate sustainability by including contemporary communication challenges brought about by the digital age. By examining recent case studies of global leaders in sustainability, this paper aims to provide updated strategies for effective sustainability communication that can help firms navigate the complexities of the modern ESG-driven landscape.

2. LITERATURE REVIEW

2.1. Traditional approaches to sustainability communication

Historically, sustainability communication has been viewed as a strategic tool for reputation management, allowing organisations to showcase their commitment to social and environmental issues while enhancing their corporate image. This perspective is grounded in managerial theories, which emphasise the importance of addressing the diverse interests of all parties involved in or affected by a company's operations (Freeman et al., 2010). The integration of sustainability into corporate communications has been widely studied, with many scholars highlighting the need for consistency across various channels and stakeholders (Watson & Kitchen, 2008; Brondoni, 2014; Siano et al., 2015; Romoli Venturi et al., 2022). However, achieving this consistency has proven difficult due to the varying expectations of diverse stakeholder groups, the dynamic nature of sustainability issues, and challenges associated with aligning corporate actions across different departments and communication channels. Each stakeholder group – from investors to local communities – has unique concerns, which require tailored communication strategies that can lead to fragmented messaging if not carefully managed. Additionally, sustainability goals often evolve in response to emerging environmental, social, and regulatory developments, making it challenging for organisations to maintain coherence and continuity in their messaging across platforms and over time (Watson & Kitchen, 2008; Romoli Venturi et al., 2022). The literature discusses how failing to align sustain-

ability communication with actual corporate behaviour can lead to significant reputational risk (Pérez, 2015). When companies over-communicate their CSR efforts – by making grandiose claims not backed by tangible actions – they risk being accused of greenwashing (Delmas & Burbano, 2011). Greenwashing can severely damage a company's reputation and erode stakeholder trust, particularly in an age where access to information is widespread and stakeholders can easily verify corporate claims. On the other hand, under-communication of sustainability, where companies fail to promote their sustainability initiatives adequately, can lead to missed opportunities to build a positive reputation and engage meaningfully with stakeholders. Furthermore, a company's decision to remain silent on sustainability activities could be seen as an attempt to hide unethical practices or unfulfilled promises, potentially resulting in a loss of consumer trust. To address the imbalance between over- and under-communication of CSR practices, traditional communication models emphasised the importance of transparency and the need to communicate a company's sustainability efforts as part of an integrated business strategy (Perrini, 2005; Van Riel & Fombrun, 2007). This approach highlights connections between corporate identity, reputation, and long-term competitive advantage, positioning sustainability as a moral imperative and a strategic business function. However, these models relied on formal communication channels such as sustainability reports, press releases, and corporate websites. While effective in providing detailed information to specific audiences, these static forms of communication often failed to engage a broader, more dynamic set of stakeholders.

2.2. New developments in ESG communication

In contrast to traditional approaches, contemporary ESG communication must navigate a more complex and dynamic environment. The rise of digital platforms and the growing influence of social media have transformed how companies connect with their stakeholders. Scholars and marketing experts widely acknowledge that the online environment offers a powerful avenue for delivering engaging sustainability messages (Mosca & Civera, 2017). The presence of brands on websites and social media enhances the dissemination of information and improves distinct sustainability communication (Eberle et al., 2013; Lee et al., 2013; Kaplan & Haenlein, 2010; Mosca & Civera, 2017). Unlike traditional methods, online platforms significantly enhance interaction between businesses and stakeholders by providing an "inexpensive, simple, and fast way" for audiences apparently to connect with and influence brands (Jose & Lee, 2007, p. 308). Social media, in particular, serves as a vital tool for brands to develop content strategies that effectively increase engagement with all stakeholders (Lim & Rasul, 2022). This shift enables a transition from one-way communication – where companies merely broadcast their ESG initiatives – to multi-directional communication that fosters stakeholder dialogue and collaboration. As a result, stakeholders are not just passive recipients of information; they become active participants in the sustainability conversations (Coviello & Brodie, 1998).

However, while social media allow for real-time communication and increased transparency, enabling organisations to respond to stakeholder concerns, these platforms also increase the risk of reputational damage, as misinformation or negative feedback can spread rapidly, often before a company can react effectively (Romoli Venturi et al., 2022). Despite the increasing recognition of the complexities associated with ESG communication in digital environments, a significant gap exists in understanding how companies can effectively navigate the challenges posed by over and under-communication in the context of rapid digital transformation. While previous studies highlighted the balance required in communicating sustainability efforts, there is limited empirical research on strategies organisations can employ to effectively manage this balance in a digital landscape characterised by multi-directional communication. There is a need for more contemporary examples and case studies that illustrate successful communication practices among companies actively integrating ESG principles into their strategies (Singhania, & Saini, 2022). To fill these gaps, this paper contributes to the existing literature on sustainability and communication by tackling to the following research question: *"How can companies effectively communicate their sustainability initiatives in the context of ESG integration, while navigating the challenges of over and under-communication in an increasingly digital and interconnected world?"*

3. METHODOLOGY

This study employed a multiple case study methodology to investigate best practices in sustainability communication by examining a selection of leading global companies recognised for their sustainable initiatives. The multiple case study approach is particularly well-suited for this research, as it facilitates an in-depth examination of how leading organisations perform ESG communication on social media while identifying key

factors contributing to effective stakeholder engagement and reputation management. The 2024 Global RepTrak® 100 guided the researchers in selecting cases for the analysis. This ranking is particularly relevant for this study, as it not only highlights the reputation of each brand but also evaluates its performance against environmental, social, and governance criteria when calculating reputation scores. The focus was placed on the top five companies featured in the 2024 Global RepTrak® 100 list: Lego, Mercedes-Benz Group, Rolex, Sony, and Canon. Except for Mercedes, which entered the ranking for the first time in 2022, all of these companies have consistently been ranked among the top performers in global sustainability and corporate reputation rankings (Reputation Institute, 2017-2024). Therefore, examining these companies' social media communication strategies offers an overview of the common elements of successful ESG communication, offering valuable insights applicable to organisations seeking to enhance their sustainability narratives (Dolan et al., 2018).

To conduct the analysis, two researchers meticulously collected captions from the selected companies' Facebook and Instagram profiles over a specified period, from February 28, 2023, to September 28, 2024. For this data collection process, the researchers employed Python, resulting in 9,658 captions (as shown in Table 1).

Following the data collection, a team of three researchers employed ChatGPT to filter out any captions deemed irrelevant to the three pillars of sustainability such as environmental, social, and governance. Specific sustainability-related keywords within each caption guided this filtering process. The keywords were carefully selected based on five categories: diversity, environment, employee support, product quality, and community. This systematic approach ensured the analysis focused on relevant content, enhancing the robustness of the findings.

This filtering process resulted in 294 captions being selected for the content analysis.

Then the researchers have employed Leximancer, an advanced software tool, to conduct qualitative data analysis with minimal bias, addressing a standard limitation of traditional manual approaches. By automating the identification and categorisation of concepts within the dataset, Leximancer has enabled systematic analysis of large volumes of text, reducing the subjectivity often associated with human interpretation. The software operates through an algorithmic, iterative process that examines word frequencies and co-occurrences within blocks of text, helping the researchers to uncover patterns and relationships that might not have been immediately apparent. This approach provided an objective, data-driven method of analysing the texts explored herein. In the analysis, Leximancer® extracted "concepts" critical terms based on their frequency and contextual relevance in the data (Sazon et al., 2024; Wilk et al., 2021). These concepts were then grouped into broader "themes," allowing the researchers to observance of clusters of related ideas and to trace the connections between different elements of ESG communication. This has been particularly useful here, as it has facilitated the identification of recurring themes, such as "sustainability" or "stakeholders," and provided a clearer understanding of how these concepts interrelate within the broader ESG discourse. One of the most valuable outputs of using Leximancer has been the generation of a Concept Map, a visual representation that illustrates the relationships between themes and concepts. This map has enabled to quickly identify dominant narratives within the data and more comprehensively explore the underlying structure of ESG communication. Additionally, the iterative nature of Leximancer's process ensured that the analysis remains robust, with the data being continually reprocessed to refine and enhance the accuracy of the identified concepts. Through this software, the researchers have gained more profound insights into the patterns and themes present in ESG communication allowing the development of a more nuanced understanding of how organisations articulate their responsibilities and engage with stakeholders.

Table 1. Number of posts extracted by platform.

Brands	Posts on Instagram	Posts on Facebook
Canon	960	795
Lego	950	968
Mercedes	2975	607
Rolex	208	643
Sony	652	900
Total	*5745*	*3913*

4. RESULTS

After removing 9,364 posts from the initial dataset, which included 5,745 Instagram posts and 3,913 Facebook posts, the researchers analysed the resulting database of 294 posts using Leximancer software. This analysis revealed three interconnected clusters, as shown in Figure 1: Community, Renewable, and Impact, with 267, 90, and 19 mentions, respectively, as illustrated in Table 2. The Leximancer Concept Map provides valuable insights into how top-reputational brands, as ranked by Reptrak, communicate their ESG initiatives on social

Table 2. Keywords co-occurrences.

Cluster	Hits	Co-Occurrences
Community	267	community, world, inspiring, proud, people, support, people, proud, work, sustainable, share, culture, products, culture, story, future, LGBTQ, space, women, design, family, LGBTQIA, inclusive, partnership, technology, art, materials, inspiring, art, society, inclusive, materials, respect, environment, donations, employees, pride, creativity, mentoring, change, project, power, organisations, partner, worldwide, kids, accessibility, natural, Sustainability, award, earth, skills, ecosystems, spirit, groundbreaking, acceptance
Renewable	90	renewable, conservation, energy, humans, quality, packaging, battery, plastic, all-electric, campaign, wildlife, reuse
Impact	19	impact, oceans, woman, young, bio

media. In the following section, a detailed explanation is given including examples of captions related to the main topics within each cluster.

4.1. Cluster "Community"

The prominence of the "*Community*" cluster, which includes 267 hits, highlights a significant shift from an environment-centric ESG communication strategy to a more holistic approach that addresses emerging social issues such as social justice, diversity, and preservation of cultural identity. Posts within this cluster provide examples of how companies foster an inclusive culture that prioritises the well-being of all individuals and promotes diversity and inclusion by supporting low-power groups of stakeholders or social causes.

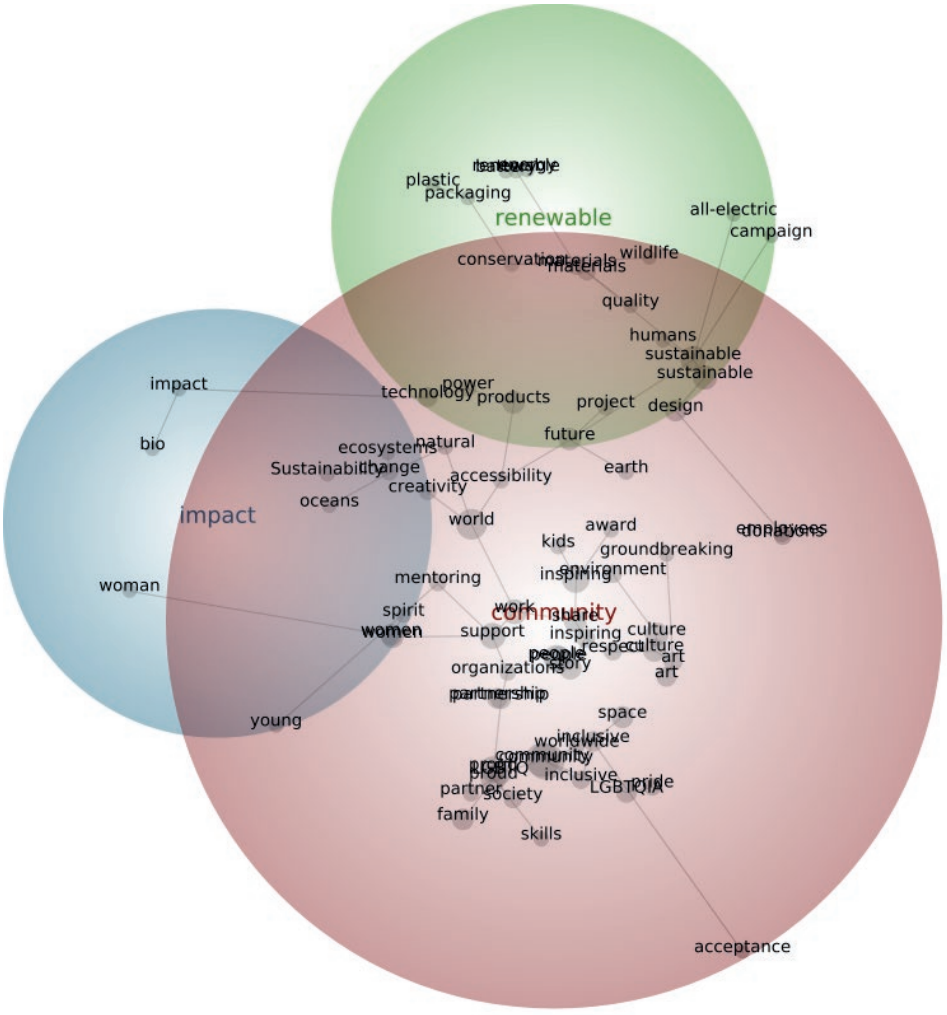

Figure 1. Leximancer concept map for association of sustainable themes and concepts.

Among the brands analysed, Mercedes-Benz exemplifies a solid commitment to inclusivity and diversity by supporting the *LGBTQIA+* community. Mercedes Group's Instagram and Facebook accounts reveal the company's attention to the LGBTQIA+ community by sharing personal stories of self-acceptance. "*We will share stories of people from the LGBTQIA+ community and their inspiring journeys to their true selves. At Mercedes-Benz, we celebrate every road you take and foster a culture of appreciation and respect*." Further reinforcing its commitment to the LGBTQ+ community, Mercedes-Benz announced on its social media the partnership with SAGE, an organisation dedicated to improving the lives of elderly LGBTQ+ individuals. This partnership aligns the brand with LGBTQIA+ advocacy, demonstrating that Mercedes's attention to the cause extends beyond mere promises and is reinforced by tangible actions. The "Community" cluster also highlights the critical role of collaboration and shared responsibility in achieving sustainable development. Keywords such as "support," "partnership," and "culture" suggest that collective efforts are essential for progress, requiring individuals, communities, and organisations to work together toward common goals. This underscores the idea that sustainability extends beyond individual actions and requires systemic change driven by collective responsibility. Canon's "Visa Female Grant," shared on its social profiles, aligns the brand with broader societal efforts to support women in the arts and media, positioning the company as an advocate for social change: *"Every year we award the most inspiring stories told by female photographers with the Canon Visa Female Grant. In 2020, self-taught photographer Sabiha Çimen wowed us with her stories about women in Islamic culture."* This initiative reflects central themes of empowerment, gender diversity, and cultural representation while promoting more significant gender equity in a field traditionally dominated by men. By honouring Çimen's work, Canon emphasises the importance of amplifying underrepresented voices, particularly those that shed light on nuanced cultural experiences. Moreover, by posting stories that challenge stereotypes and provide insights into diverse cultural identities, Canon recognises the power of visual storytelling through social media to foster social change.

4.2. Cluster "Renewable"

In addition to the "*Community*" cluster, the "*Renewable*" cluster stands out with 90 hits by showing, among the 5 top brands for reputation, a strong focus on communicating about technological innovation as a critical driver of environmental sustainability. This cluster includes all posts highlighting brands' efforts toward environmental sustainability, particularly the transitions to renewable energy and reductions in carbon emissions. Keywords such as "renewable energy", "battery," "all-electric", "packaging", and "plastic" underline the commitment to transitioning from fossil fuels to cleaner energy sources. For instance, the Sony Group articulates its commitment to ecological conservation, stating, "*Sony Group is involved in a variety of environmental conservation activities, one of them being the use of paper-based product packaging instead of relying on plastic packaging, which was released on 6 September.*" This initiative reflects Sony's broader strategy to reduce its environmental impact and concrete action to align the brand with the increasing global emphasis on environmental sustainability and plastic waste reduction. Moreover, among the top 5 brands for reputation, Mercedes Group promotes the theme of animal welfare on its social media account, stating, "*Mercedes-Benz has ensured the well-being of the dogs in this campaign. We have spent decades of research and development to build cars that are all about us humans…*". By emphasising the prioritisation of dogs' well-being in their campaign, Mercedes-Benz appeals to animal lovers and advocates, reinforcing its image as a socially responsible company that extends care to all living beings. Another interesting theme of this cluster linked to environmental sustainability includes the topic of reuse. For example, LEGO posted, "*If bricks could talk, they'd have some seriously awesome stories to tell! Pass them on to continue their adventure and keep them in play for generations to come* 🌍💡 *#MadeToBePlayed #Sustainability #Reuse*". This social media caption positions LEGO as a promoter of sustainable behaviour, encouraging consumers to embrace the reuse of its products as part of a broader commitment to sustainability.

4.3. Cluster "Impact"

The "*Impact*" cluster albeit comprising just 19 entries, features posts that explore the broader societal and environmental implications of a company's actions. These discussions include community development, cultural enrichment, and the outcomes of projects that profoundly influence society and the environment by aligning strategies with sustainable development goals. For example, by declaring, "*Support for young artists is integral to the Perpetual Arts Initiative*" Rolex shares its commitment to nurturing young artistic talent through a program that supports emerging artists. By fostering the growth and development of young creatives, Rolex positions itself as a patron of the arts, demonstrating a long-term investment in cultural enrichment and the

future of artistic expression. The initiative aligns with Rolex's brand identity, built on notions of excellence, legacy, and timelessness. By supporting young artists, Rolex ensures that the arts thrive across generations, reinforcing the brand's association with enduring craftsmanship and creativity. The hashtag #PerpetualArts further ties this initiative to the brand's mission of sustained excellence, suggesting that just as Rolex watches are built to last, the company's support for the arts is equally enduring and impactful. By aligning itself with the arts, Rolex cultivates a sophisticated image, demonstrating that its commitment goes beyond luxury goods to fostering creativity and contributing to the global cultural landscape. Similarly, Canon demonstrates its alignment with impactful communication through initiatives like #ShotOnCanon, highlighting products and deeper narratives. One powerful example comes from an underwater photographer who stated: "*Embark on a journey with me as we dive into some of my most cherished photographs captured during my career as an underwater photographer. These images are not just pictures but a testament to the unwavering passion, countless hours, and unyielding commitment dedicated to immortalising the extraordinary beings that inhabit our oceans.*"

Through this kind of storytelling, Canon transcends its role as a camera manufacturer to become a facilitator of environmental and cultural preservation. The brand showcases a strong alignment with sustainability by elevating photography as a medium for environmental awareness, where each image captured under the #ShotOnCanon campaign becomes a window into the world of natural wonders. Through visual storytelling, Canon amplifies the voices of artists and photographers, much like Rolex does with emerging creatives, positioning itself not just as a purveyor of high-quality products but as an advocate for the conservation of cultural and environmental heritage. By supporting creators and initiatives focusing on preservation, Canon adds depth to its brand image, connecting technology with purpose and art with advocacy.

5. EMERGING ISSUES FOR COMMUNICATION MANAGERS

In today's rapidly changing business landscape, communication managers need to fully comprehend the strategic use of digital platforms and social media to effectively convey Environmental, Social, and Governance (ESG) messages. An analysis of the social media activities of the top five brands, as ranked in the 2024 RepTrak 100, reveals best practices for effective ESG communication. The best practices are explained in the following section.

5.1. The importance of digital platforms and social media in ESG communication

In today's rapidly evolving landscape, communication managers must recognise digital platforms and social media's critical role in effective ESG communication. Companies like Mercedes-Benz, Lego and Sony leverage these channels to engage stakeholders and demonstrate their commitment to sustainability and corporate social responsibility (CSR) through concrete actions. For example, Mercedes-Benz effectively uses social media to highlight advancements in electric vehicle technology and sustainable manufacturing practices. By showcasing these initiatives, the brand reinforces its identity as an environmentally responsible leader in the automotive industry (Vallaster et al., 2012). Similarly, Lego employs its Instagram and Facebook presence to share compelling stories about its sustainability initiatives, focusing on its commitment to sustainable materials and reducing carbon emissions. Sony's posts on social media show the decision to change packaging from plastic to renewable paper. This storytelling approach engages a younger, environmentally conscious audience, fostering a deeper emotional connection with the brand (Pomering & Dolnicar, 2009). The example above shows that digital platforms allow brands to disseminate information and facilitate two-way communication, enabling companies to gather feedback and engage with their stakeholders (Morsing & Schultz, 2006). Moreover, this interaction builds trust and credibility as stakeholders increasingly demand brand transparency regarding sustainability actions, not just promises (Pérez, 2015).

5.2. Integrating ESG communication with corporate strategy

A significant finding from this study is the critical role of integrating sustainability communication into overall corporate strategy. This integration ensures that sustainability messages align with broader strategic objectives, enhancing communication's credibility and effectiveness. Sony and Canon exemplify how embedding ESG considerations into core operations can drive corporate strategy. Sony's transition to paper-based packaging highlights its commitment to responsible business practices while reinforcing its brand identity as a forward-thinking organisation (Reputation Institute, 2017). Canon aligns its corporate strategy with ESG principles by promoting initiatives that support gender

equity and the arts. This alignment strengthens their corporate narratives and resonates with consumers who value inclusivity and representation (Lambin, 2009). Integrating ESG communication with corporate strategy fosters authenticity and credibility in sustainability messaging. Research indicates that companies with aligned strategies experience higher stakeholder trust and loyalty (Bhattacharya & Sen, 2004). By embedding sustainability into their core practices, companies like Sony and Canon ensure that their CSR efforts are relevant and resonate deeply with stakeholders.

5.3. Balancing ESG & sustainability promises and performance

A core challenge in sustainability communication is ensuring that ESG promises to align with actual performance. Stakeholders, consumers, and investors are increasingly discerning in identifying genuine initiatives versus sustainable campaigns that are pure marketing tactics to improve consumers' perceptions about a specific company or brand. Mercedes-Benz, Lego, Sony, Canon, and Rolex all illustrate the importance of balancing ESG commitments with tangible actions. This balance is critical for communication managers; conveying intentions alongside measurable achievements strengthens credibility and fosters stakeholder trust. By focusing on concrete actions, these organisations position themselves as leaders in corporate sustainability and demonstrate their commitment to addressing social and environmental challenges (Delmas & Burbano, 2011). Studies show that transparency in sustainability efforts can significantly enhance a company's reputation and stakeholder relationships (Lyon & Montgomery, 2015).

6. CONCLUSION

In conclusion, effective sustainability communication in today's complex business environment requires a delicate balance between spreading and promoting ESG achievements and ensuring these claims are grounded in measurable, verifiable outcomes. Companies must engage in transparent, multi-directional communication that informs and engages stakeholders in meaningful dialogue (Watson & Kitchen, 2008). By leveraging digital platforms, companies can enhance the effectiveness of their sustainability messaging, reach a broader audience, and build a more substantial, resilient reputation. The implications for managers are clear: ESG communication cannot be treated as an afterthought or a superficial marketing strategy. Instead, it must be integrated into the core of the company's business strategy and aligned with its values (Casalegno & Civera, 2016). Therefore, managers must orient their business choices towards ESG and sustainability-focused procedures, policies, products, and vision. This orientation can be effectively communicated to stakeholders through inspirational, educational, and inclusive social communication campaigns. Care must be taken in these communications, as it is pivotal to avoid over- and under-communication (Pezet & Casalegno, 2017) and especially to refrain from making unsustainable promises. In this regard, RepTrak ranking becomes a vital benchmark for comparing brands based on reputation and a key driver for fostering corporate renewal and transformation.

7. LIMITATIONS AND FUTURE RESEARCH AGENDA

Like any academic investigation, this research is subject to certain limitations that future studies could address through more focused and comprehensive analysis. It is essential to recognise these constraints not as flaws but as opportunities for further exploration and refinement of the research field. Emphasising the need for more comprehensive analysis can instil a sense of urgency in the audience about addressing these limitations.

One notable limitation is the time frame selected for the sample. While this analysis is robust within the chosen period, extending the temporal scope in future research could provide a more longitudinal perspective. A more extended historical dataset might reveal trends or fluctuations in brand perception and communication strategies that are not visible in shorter timeframes, offering more profound insights into long-term brand positioning and stakeholder engagement. Stressing the potential for deeper insights can make the audience feel the excitement of discovering new knowledge.

In addition, the selection of brands used in this study was limited to the top five performers in the 2024 RepTrak report. Although this allows for a focused examination of the most successful brands in terms of reputation, it excludes other potentially significant brands that have been prominent in previous years or might represent different industry sectors, geographical regions, or strategic approaches. Future research could broaden the sample to include a more diverse range of brands, allowing for comparisons between industry leaders and challengers or between brands in different stages of their reputational development.

Furthermore, this analysis focused exclusively on two social media platforms – Facebook and Instagram – both in the Meta ecosystem. While these platforms influence brand communication, they represent only a subset of the broader social media landscape. Expanding the analysis to include additional platforms such as LinkedIn, X (formerly known as Twitter), and TikTok could yield valuable insights into how communication strategies differ across platforms. These platforms may cater to different audiences and foster distinct forms of interaction, which could lead to variations in messaging, user engagement, and brand perception. Including these platforms would allow for more holistic understanding of cross-platform communication dynamics. Additionally, future research could enrich the analytical framework by incorporating more diverse data points, such as user comments, reactions, shares, and other relevant engagement metrics. These factors could offer a more nuanced view of how audiences respond to brand messaging, providing a richer context for interpreting the effectiveness of various communication strategies. Future studies could uncover more detailed digital interaction patterns and reputation management across different social media ecosystems by broadening the scope of both platforms and metrics.

In summary, while this research offers valuable insights into brand communication strategies within the given scope, numerous avenues remain for further exploration. Addressing these limitations in future research would enhance the robustness of the findings and contribute to a more comprehensive understanding of brand management in an increasingly digital and dynamic marketplace.

REFERENCES

Bhattacharya, C. B., & Sen, S. (2004). Doing Better at Doing Good: When, Why, and How Consumers Respond to Corporate Social Initiatives. *California Management Review*, 47(1), 9-24.

Brondoni, S. M. (2014). Global capitalism and sustainable growth. From global products to network globalisation. *Symphonya. Emerging Issues in Management*, (1), 10-31.

Brondoni, S. M., & Bosetti, L. (2018). Ouverture de 'Integrated CSR Management'. *Symphonya. Emerging Issues in Management*, (1), 1-17.

Casalegno, C. G. N., & Civera, C. (2020). La Responsabilità Sociale di Impresa. In L'impresa nel sistema economico mondiale (pp. 225-240). Egea.

Casalegno, C. G., & Civera, C. (2016). Impresa e CSR: la" non comunicazione" di successo. regole per una gestione responsabile delle relazioni (pp. 1-199). FrancoAngeli.

Cornelissen, J. P. (2023). Corporate communication: A guide to theory and practice (7th ed.). London, England: SAGE Publications.

Coviello, N. E., & Brodie, R. J. (1998). From transaction to relationship marketing: an investigation of managerial perceptions and practices. *Journal of Strategic Marketing*, 6(3), 171-186.

Delmas, M. A., & Burbano, V. C. (2011). "The Drivers of Greenwashing." *California Management Review*, 54(1), 64-87.

Dolan, R., Conduit, J., & Fahy, J. (2018). Creating, contributing and consuming behaviour: how affective and rational message appeals facilitate engagement. Routledge.

Eberle, D., Berens, G., & Li, T. (2013). The impact of interactive corporate social responsibility communication on corporate reputation. *Journal of Business Ethics*, 118, 731-746.

Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). The impact of corporate sustainability on organizational processes and performance. *Management Science*, 60(11), 2835-2857.

El-Bassiouny, N., Darrag, M., & Zahran, N. (2018). Corporate social responsibility (CSR) communication patterns in an emerging market: An exploratory study. J*ournal of Organizational Change Management*, 31(4), 795-809.

Freeman, E., Harrison, J., Wick A.C., Parmar, B. L., and De Colle, S. (2010), Stakeholder Theory: The State of the Art, Cambridge University Press

Hur, W.-M., Kim, H., & Woo, J. (2014). "How CSR Leads to Corporate Brand Equity: Mediating Mechanisms of Corporate Brand Credibility and Reputation." *Journal of Business Ethics*, 125(1), 75-86.

Jose, A., & Lee, S.-M. (2007). Environmental reporting of global corporations: A content analysis based on website disclosures. Journal of Business Ethics, 72(4), 307–321.

Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of Social Media. Business Horizons, 53(1), 59-68.

Khan, M., Serafeim, G., & Yoon, A. (2016). Corporate sustainability: First evidence on materiality. The Accounting Review, 91(6), 1697-1724.

Kitchen, P. (2004). Corporate reputation. In A Handbook of Corporate Communication and Public Relations (pp. 287-298). Routledge.

Kitchen, P. J., & Watson, T. (2010). Reputation management: Corporate image and communication.

Lambin, J. J. (2009). Sustainable Development: A Business Perspective. In A. J. K. van der Zwan & G. M. A.

De Lange (Eds.), The Business of Sustainable Development in Africa: Human Rights, the Environment, and the Development of Corporate Social Responsibility (pp. 15-26). Routledge.

Lee, K., Oh, W. Y., & Kim, N. (2013). Social media for socially responsible firms: Analysis of Fortune 500's Twitter profiles and their CSR/CSIR ratings. Journal of business ethics, 118, 791-806.

Lim, W. M., & Rasul, T. (2022). Customer engagement and social media: Revisiting the past to inform the future. *Journal of Business Research*, 148, 325–342.

Lyon, T. P., & Montgomery, A. W. (2015). The Means and End of Greenwash. Organization & Environment, 28(2), 223-249.

Matten, D., & Moon, J. (2008). "Implicit and Explicit CSR: A Conceptual Framework for a Comparative Understanding of Corporate Social Responsibility." *Academy of Management Review*, 33(2), 404-424.

Morsing, M., & Schultz, M. (2006). Corporate Social Responsibility Communication: Stakeholder Information, Response and Involvement Strategies. Business Ethics: *A European Review*, 15(4), 323-338.

Mosca, F., & Civera, C. (2017). The evolution of CSR: An integrated approach. *Symphonya. Emerging Issues in Management*, (1), 16-35.

Palazzo, M., Foroudi, P., Kitchen, P. J., & Siano, A. (2020). Developing corporate communications: insights from the Italian scenario. *Qualitative Market Research: An International Journal*, 23(3), 407-426.

Pérez, A. (2015). Corporate reputation and CSR reporting to stakeholders: Gaps in the literature and future lines of research. *Corporate communications: An international journal*, 20(1), 11-29.

Perrini, F. (2005). Building a European portrait of corporate social responsibility reporting. *European Management Journal*, 23(6), 611-627.

Perrini, F., & Vurro, C. (2013). La valutazione degli impatti sociali: Approcci e strumenti applicativi. Egea spa.

Pezet, E., & Casalegno, C. (2017). Balancing Under and Over Communication in Sustainability. *Symphonya. Emerging Issues in Management,* (1), 95-110.

Pomering, A., & Dolnicar, S. (2009). Assessing the Effectiveness of CSR Communication. *Journal of Business Ethics*, 85(3), 239–249.

Reptrak Company, (2024), The Global Reptrak 100 2024, available at https://www.reptrak.com

Reputation Institute. (2017). Global RepTrak 100: Reputation and Corporate Social Responsibility.

Romoli Venturi, R., Casalegno, C., & De Palma, P. (2022). Comunicazione integrata e PR: istruzioni per l'uso: strategie, strumenti e tecniche nel secolo della trasparenza. FrancoAngeli.

Sazon, H., Catapan, S. D. C., Rahimi, A., Canfell, O. J., & Kelly, J. (2024). How do Twitter users feel about telehealth? A mixed-methods analysis of experiences, perceptions, and expectations. Health Expectations, 27(1), e13927.

Siano, A., Siglioccolo, M., & Vollero, A. (2015). Corporate communication management: Accrescere la reputazione per attrarre risorse. G Giappichelli Editore.

Singhania, M., & Saini, N. (2022). Quantification of ESG regulations: a cross-country benchmarking analysis. Vision, 26(2), 163-171.

Vallaster, C., et al. (2012). The Role of Corporate Social Responsibility in Building Reputation. International *Journal of Business Research*, 12(4), 57-73.

Van Riel, C. B., & Fombrun, C. J. (2007). Essentials of corporate communication: Implementing practices for effective reputation management. Routledge.

Watson, T., & Kitchen, P. J. (2008). Corporate Communication: reputation in action. In Facets of corporate identity, communication and reputation (pp. 139-158). Routledge.

Wilk, V., Cripps, H., Capatina, A., Micu, A., & Micu, A.-E. (2021). The state of #digitalentrepreneurship: a big data Leximancer analysis of social media activity. International Entrepreneurship and Management Journal, 17(4), 1899–1916.

JEP

Firenze University Press
https://oaj.fupress.net/index.php/jep

Original Articles – Management Studies

Overcoming barriers to ecological transition: a theoretical focus on stakeholder collaboration

Brigida Morelli[1],*, Chiara Civera[1], Alex Murdock[2]

[1] *Department of Management, University of Turin, Italy*
[2] *London South Bank University, Great Britain*
E-mail: brigida.morelli@unito.it; chiara.civera@unito.it; murdocaj@lsbu.ac.uk
*Corresponding author.

Abstract. This study examines the crucial role of multi-stakeholder collaborations in advancing the ecological transition, focusing on the relational dynamics that facilitate or hinder these efforts. As key social actors, companies have a responsibility to address environmental and social challenges by integrating functions such as marketing, corporate responsibility, and sustainability to promote stakeholder engagement and the adoption of sustainable practices. Through a conceptual approach, the paper reviews existing literature and theoretical models on stakeholder engagement, ecological transition, and integration of internal business functions. Itidentifies barriers to effective multi-stakeholder collaboration, including competing interests, communication problems, and trust deficits, and offers strategies to address them. The Multi-Stakeholder Value Map is employed to evidence multi-level stakeholder relationships. It highlights that alignment of internal business functions, particularly marketing and accountability, can improve external stakeholder engagement, promote shared responsibility, and play a significant role in driving the ecological transition. This integration is essential to overcome the barriers of multi-stakeholder collaboration.

Keywords: multi-stakeholder collaborations, ecological transition, cross-functional integration, marketing, CSR, multi-stakeholder value map.

OPEN ACCESS

Citation: Morelli, B., Civera, C., & Murdock, A. (2024) Overcoming barriers to ecological transition: a theoretical focus on stakeholder collaboration. *Journal of Emerging Perspectives* 1: 43-53. doi: 10.36253/jep-16899

Received: October, 4, 2024

Revised: October, 30, 2024

Published: December, 16, 2024

Data Availability Statement: All relevant data are within the paper and its Supporting Information files.

Competing Interests: The Author(s) declare(s) no conflict of interest.

Orcid:
BM: 0009-0001-1441-1762
CC: 0000-0002-8448-2726
AM: 0000-0002-5623-4143

1. INTRODUCTION

The increasing growth of ecological transition studies has emerged as a crucial response to the pressing environmental and social challenges of contemporary society. Ecological transition refers to the shift from traditional economic models focused on growth and resource exploitation to more sustainable, circular, and regenerative approaches (Bennett, 1979; Dimitrova et al., 2013). This shift is now recognized as essential to countering the negative impacts of human activities, including climate change, biodiversity loss, and social inequalities exacerbated by unsustainable practices such as fossil fuel overuse, intensive agriculture, and uncontrolled consumption (Crutzen 2016; Steffen et al., 2008; Kopnina et al., 2018). As governments, businesses, and civil society struggle to navigate this complex transformation, multi-stakeholder collaborations have been widely recognized as crucial mechanisms

for driving systemic change across sectors. As Elkington (2018) notes, "multi-stakeholder initiatives offer a powerful framework for addressing systemic issues that no single entity can solve alone" (p. 123). Furthermore, Zadek (2007) argues that "collaborative governance mechanisms are essential to creating the institutional infrastructure needed to navigate sustainability transitions" (p. 45). These partnerships facilitate the sharing of knowledge and resources between public and private actors, as highlighted by Scherer & Palazzo (2011), who point out that "businesses, governments, and NGOs must work together to co-create solutions to complex global challenges" (p. 923).

Multi-stakeholder collaborations involve partnerships among diverse actors, including businesses, government agencies, nongovernmental organizations (NGOs), universities, and communities, each bringing unique resources, knowledge, and perspectives (Civera & Freeman, 2019; Ghelfi & Papadopoulos, 2021). Such collaborations are considered essential in addressing the multifaceted challenges of the ecological transition, as they facilitate the co-creation of innovative, inclusive, and scalable solutions that go beyond what individual actors can achieve alone (Carrigan et al. 2023; Clube & Tennant, 2023). For instance, in the circular economy, multi-stakeholder partnerships enable companies to redesign production and consumption systems to reduce waste, improve resource efficiency, and promote sustainable business models (Jabbour et al., 2019). Similarly, in energy transitions, public-private partnerships mobilize investment in renewable technologies and help develop regulatory frameworks that support clean energy adoption (Korhonen et al., 2018).

Recent studies underscore the importance of these partnerships in promoting systemic change. For instance, Hansen and Coenen (2015) highlight the role of multi-stakeholder networks in accelerating regional transitions to sustainability through knowledge exchange and collective problem solving.

Also, Carrigan et al. (2023) analyze the transition from disposable to reusable coffee cups through a community-based social marketing intervention. Through this study they emphasize the need for collective efforts by all stakeholders to facilitate this transition. It demonstrates how collaborative communities can create efficient alliances among multiple stakeholders, as noted by Civera & Freeman (2019), leading to significant social impacts. This research highlights the power of community engagement and stakeholder collaboration in driving sustainable stakeholder behavior change, illustrating the potential of localized efforts to contribute to broader environmental sustainability goals.

Furthermore, Beaurain et al. (2023) argue that such collaborations are instrumental in driving the cultural changes needed to integrate sustainability into social norms and business practices. This is particularly important in contexts where ecological transition intersects with complex social and economic dynamics, such as in developing countries or industries that rely heavily on traditional resource extraction (Coenen et al., 2012).

However, despite their potential, multi-stakeholder collaborations face significant obstacles. A key challenge is aligning the different goals and interests of various stakeholders. Businesses may prioritize economic returns, while NGOs focus on environmental or social outcomes, and governments are often driven by regulatory compliance or public accountability (Freeman et al., 2010). These differing priorities can create conflicts and obstacles in decision-making, especially when power imbalances exist, such as when large corporations overshadow smaller community groups or NGOs (Clube & Tennant, 2023). These dynamics can reduce the inclusiveness of collaborations and lead to outcomes that favor dominant interests rather than equitable solutions (Beaurain et al., 2023; Carrigan et al. 2023).

Trust, another critical barrier, is essential to the success of any partnership, but can be fragile in multi-stakeholder contexts, especially when previous collaborations have failed or stakeholders perceive others as acting opportunistically (Ghelfi & Papadopoulos, 2021). Lack of trust can lead to a reluctance to share information, resources, or responsibilities, undermining the collaborative process. Studies show that building trust requires sustained effort, transparency, and consistent communication, elements that are difficult to maintain in complex, multi-actor contexts (Scheepens et al., 2016).

Communication challenges further complicate multi-stakeholder collaborations. Differences in language, terminology, and framing of issues can hinder effective dialogue and lead to misunderstandings, especially when stakeholders come from different sectors with distinct professional languages and cultural backgrounds (Jabbour et al., 2019). For example, technical terms in environmental science may not be easily understood by business leaders, while regulatory jargon may confuse community members. Effective communication is critical for aligning stakeholder expectations, promoting mutual understanding, and facilitating collaborative decision making, but it remains one of the most persistent barriers in multi-stakeholder initiatives (Scheepens et al., 2016).

As social actors, companies have a responsibility to address social and environmental issues, as scholars such as Aksoy et al. (2022), Freeman (2010) and others have pointed out (Elkington, 1994; 2018). Companies are

increasingly viewed not only as economic entities, but also as stakeholders in society with a duty to respond to ecological challenges (Porter & Kramer, 2011; Carroll, 1999). The adoption of corporate social responsibility (CSR) principles suggests that companies must actively engage in solving societal problems, going beyond legal compliance to proactively address environmental and social issues (Matten & Moon, 2008; Visser, 2011). This responsibility includes building power both within the company and externally among stakeholders, promoting a shared commitment to sustainable practices (Dahlsrud, 2008; Aguilera et al., 2007).

The multi-stakeholder value map proposed by Civera and Freeman (2019) provides a useful framework for mapping both the relationships within a company and those outside the company. By observing the dynamics and overlaps of multi-stakeholder relationships, they help us understand the interconnections between different stakeholders and highlight how cross-functional integration within a company can strengthen external collaborations. For example, noteworthy is the alignment of marketing and accountability functions within companies that can help ensure that sustainability efforts are consistent and credible, both internally and externally in society.

Corporate functions, particularly marketing and accountability, play a key role in this process as they promote environmental awareness and stakeholder engagement (Kotler & Lee, 2005; Polonsky, 2011). Effective integration of these functions is critical, as it aligns internal goals with broader social imperatives, enhancing the company's ability to influence stakeholders and contribute to the ecological transition (Hart & Milstein, 2003; McWilliams & Siegel, 2001). Recent reports, such as the Global Sustainable Investment Review (2023), further highlight how integrated business functions can significantly improve both financial and sustainability outcomes by supporting long-term value creation (Zadek, 2006; Schaltegger & Wagner, 2006).

On the one hand, marketing plays a strategic role in shaping the narrative of a company's sustainability commitments, influencing both internal (e.g., employees) and external (e.g., customers, partners) stakeholders. On the other hand, accountability functions (CSR, sustainability departments) ensure that the company's operations are in line with its ecological and social goals. The integration of these functions helps companies take a holistic approach to sustainability that links internal and external efforts, improving their overall impact on the ecological transition (Elkington, 1994; 2018).

This alignment not only improves the consistency of sustainability strategies, but also empowers employees in all departments to contribute to green initiatives. Marketing teams can design campaigns that engage stakeholders in sustainability, while CSR departments provide the data and insights needed to ensure that messaging is authentic and aligned with corporate values (Elkington, 1994; 2018). Examples such as Unilever's Sustainable Living Plan demonstrate how internal alignment can significantly improve the effectiveness of multi-stakeholder collaborations. Unilever has integrated marketing, product development, and CSR to promote sustainability throughout the value chain, strengthening partnerships with NGOs, suppliers, and consumers (Elkington, 2018). These case studies underscore the power of internal integration in supporting the ecological transition.

Therefore, our study aims to understand how multi-stakeholder collaborations can facilitate the ecological transition in business and society, and what key factors emerge through the analysis of the multi-stakeholder value map for creating effective alliances?

The remainder of the article unfolds as follows. Section 2 outlines the literature review on Theoretical Foundations of Multi-Stakeholder Collaborations, identifies the Barriers to effective multi-stakeholder collaborations, and describes the theoretical basis of the Multi-Stakeholder Value Map. It continues with two sections that discuss the role of cross-functional integration in organizations and Strategies for improving multi-stakeholder collaborations. Section 3 describes the methodology used to answer the research question. Section 4 discusses the application of the multi-stakeholder value map by describing Multi-stakeholder collaborations and their role in the ecological transition. Section 5 Proposed strategies to overcome barriers to collaboration. The paper concludes with concluding remarks, limitations, and future research perspectives.

2. CONCEPTUAL BACKGROUND

The ecological transition represents a paradigm shift from traditional, unsustainable business models toward more sustainable and regenerative practices that aim to balance economic, environmental, and social imperatives. This transition requires systemic changes that cannot be achieved by individual actors working in isolation. As such, the role of multi-stakeholder collaborations has gained prominence, enabling diverse groups to pool resources, share knowledge, and co-create innovative solutions to complex sustainability challenges (Carrigan et al. 2023; Civera, 2022; Dimitrova et al., 2013; Ghelfi & Papadopoulos, 2021). This section reviews the current literature and theoretical models related to mul-

ti-Stakeholder Collaborations, identifies key barriers to effective collaboration and proposes strategies to overcome these challenges, emphasizing the critical role of internal cross-functional alignment in fostering successful multi-stakeholder partnerships and describing the theoretical basis of the Multi-Stakeholder Value Map.

2.1. Theoretical Foundations of Multi-stakeholder Collaborations

Multi-stakeholder collaborations are grounded in stakeholder theory, which posits that organizations must consider the interests and influences of all parties affected by their actions, including not only shareholders but also employees, customers, suppliers, communities, and the environment (Freeman et al., 2010). Stakeholder theory challenges the traditional view of profit maximization as the sole purpose of business, advocating for a broader approach that balances the needs of various stakeholders to create shared value (Elkington, 1994; 2018). In the context of ecological transition, this approach is particularly relevant as it highlights the interconnectedness of social, environmental, and economic factors, encouraging organizations to engage with a diverse range of actors to address sustainability challenges (Jabbour et al., 2019). Ecological transition research has evolved to incorporate a multistakeholder perspective, recognizing that collaborative efforts are essential for achieving systemic change. For instance, the transition management framework developed by Loorbach (2010) emphasizes the importance of engaging stakeholders in participatory processes to co-create long-term sustainability visions and pathways. This approach is echoed in the work of Coenen et al. (2012), who advocate for spatial perspectives on sustainability transitions that account for the regional and contextual dynamics of stakeholder interactions. The integration of diverse perspectives allows for more robust and adaptive solutions that are better suited to local conditions and can drive broader systemic change.

2.2. Barriers to Effective Multi-stakeholder Collaborations

Despite the recognized benefits, multi-stakeholder collaborations often encounter significant barriers that impede their effectiveness. One of the primary challenges is the alignment of stakeholder interests and values. Collaborations bring together actors with diverse goals, ranging from profit maximization in businesses to social advocacy in NGOs and regulatory compliance in government bodies. These differing priorities can create conflicts that hinder decision-making and stall collaborative efforts (Freeman et al., 2010). Research by Beaurain et al. (2023) indicates that power imbalances among stakeholders exacerbate these conflicts, as dominant actors, such as large corporations, may impose their agendas, marginalizing smaller or less powerful voices and reducing the inclusiveness and equity of the collaboration.

Trust deficits also represent a major barrier to effective collaboration. Trust is a critical component of any partnership, yet it is often fragile in multi-stakeholder settings, particularly when stakeholders have had negative past experiences or perceive a lack of transparency in the collaborative process (Scheepens et al., 2016). A study by Ghelfi and Papadopoulos (2021) found that trust-building requires consistent, open communication and shared decision-making, which can be difficult to achieve when stakeholders operate under different institutional logics or organizational cultures. The absence of trust can lead to a reluctance to share information, resources, or responsibilities, undermining the collaborative potential of the partnership.

Communication challenges further complicate multi-stakeholder collaborations. Stakeholders often come from different sectors, each with its own language, terminology, and communication styles, which can lead to misunderstandings and misalignment of expectations. For example, technical language used by environmental scientists may be incomprehensible to business executives, while corporate jargon may alienate community representatives or NGOs (Jabbour et al., 2019). Effective communication is essential for fostering mutual understanding and aligning stakeholder goals, yet it remains one of the most persistent challenges in managing multi-stakeholder initiatives.

2.3. Multi-stakeholder value map

The multi-stakeholder value map developed by Civera and Freeman (2019) is based on the principles of stakeholder theory and seeks to give it a practical application, highlighting how, for some pressing issues, it is essential to go beyond the pure firm-centric view and address these problems through a participatory and cooperative perspective involving jointly designed management practices among competitors, institutional stakeholders, public and private entities, and customers.

This approach is based on the premise that both firms and stakeholders exist in an ecosystem formed by networks of relationships that should foster collaboration, co-creation of value, and an integrated approach to solving complex, shared problems (Freeman, 1984). The multi-stakeholder value map is based on key concepts

such as mutual interdependence, transparency and trust, which emphasize the moral and strategic importance of each stakeholder.

The map illustrates how the corporate environment can be seen as an interconnected ecosystem, in which relationships between a company and its stakeholders (including suppliers, customers, NGOs, governments, and even competitors) are dynamic and fluid, and overlap in different contexts and purposes (McVea & Freeman, 2005). This contrasts with traditional models in which the company dominates decision-making, thus limiting stakeholder input. Civera and Freeman (2019) argue that viewing stakeholders through the lens of power sharing and collaboration enhances the company's ability to respond to complex challenges, such as climate change or social inequality, through collective action.

Specifically in the context of our research, businesses, as social actors (Aksoy) and not just business entities, contribute vitally to the social and environmental health of the local ecosystem (Whysall, 2000) and, therefore, are fertile actors for the application of multi-stakeholder value dynamics (Candelo et al., 2021).

The multi-stakeholder value map is applicable to ecological transitions, where integrated stakeholder efforts can help facilitate sustainability goals. For example, by integrating marketing and corporate social responsibility (CSR) functions, companies can empower themselves and society by using stakeholder engagement to promote sustainability practices throughout the value chain. This process fosters cross-functional collaboration and ensures the creation of shared value not only for the company but also for the broader stakeholder ecosystem by aligning business practices with social and environmental needs.

Civera and Freeman's work emphasizes that through continuous stakeholder engagement, companies are able to redefine power structures, improve knowledge-sharing mechanisms and increase transparency. These elements are key to achieving superior value co-creation outcomes and addressing the most pressing social and environmental challenges. The multi-stakeholder value map shifts the focus from the corporate domain to a holistic approach, recognizing the contributions of each stakeholder and promoting a culture of shared responsibility and sustainability (Freeman et al., 2010).

2.4. Overcoming barriers: the role of cross-functional integration within organizations

To address these barriers, the literature increasingly emphasizes the importance of internal cross-functional integration within organizations, particularly between marketing and responsibility functions. Cross-functional integration involves breaking down silos and fostering collaboration between departments such as marketing, corporate social responsibility (CSR), and sustainability, aligning their efforts with other key functions like operations, finance, and R&D (Elkington, 2018). This internal alignment is critical for developing coherent and effective sustainability strategies that resonate with both internal and external stakeholders.

Marketing functions play a strategic role in shaping how companies communicate their sustainability commitments and engage with stakeholders. They are responsible for crafting messages that resonate with consumers, partners, and other stakeholders, influencing perceptions and behaviors (Korhonen et al., 2018). However, if marketing efforts are not aligned with the company's broader sustainability goals, there is a risk of greenwashing – where companies are perceived as promoting a misleading image of environmental responsibility without substantive actions to back it up (Elkington, 1994). Responsibility functions, including CSR and sustainability teams, act as internal stewards of ecological integrity, ensuring that corporate actions align with stated commitments and that sustainability is embedded into the organization's core operations (Freeman et al., 2010).

Integrating these functions enhances the organization's ability to engage stakeholders effectively and foster trust. By working together, marketing and responsibility functions can create authentic narratives that reflect the company's genuine commitment to sustainability. For instance, marketing can leverage CSR data to communicate the impact of the company's sustainability initiatives, while CSR teams can provide guidance on ensuring that marketing messages are accurate and aligned with ecological values (Korhonen et al., 2018). This synergy not only strengthens stakeholder engagement but also reinforces the organization's credibility and trustworthiness, which are essential for overcoming barriers to collaboration.

2.5. Strategies for enhancing multi-stakeholder collaborations

The integration of marketing and responsibility functions provides a platform for developing strategies that enhance multi-stakeholder collaborations. One such strategy is the co-creation of sustainability initiatives, where companies actively involve stakeholders in the design, implementation, and evaluation of sustainability projects. This approach not only leverages the diverse expertise of different stakeholders but also fosters a sense of shared ownership and accountability, which is crucial for overcoming trust deficits (Beaurain et al., 2023).

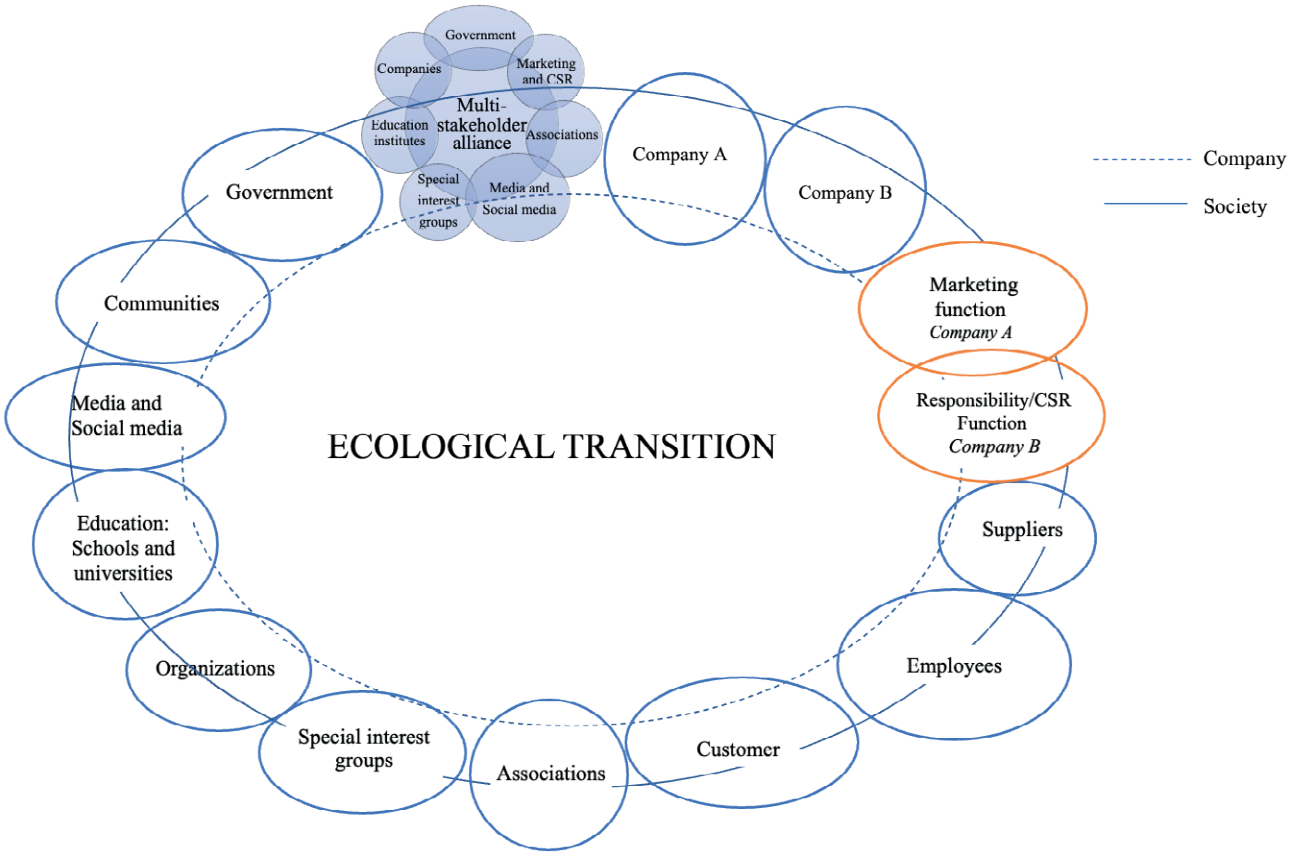

Figure 1. Multi-stakeholder value map: stakeholder collaboration to faster ecological transition (Reworked from Civera and Freeman, 2019).

Another strategy is the establishment of transparent communication channels that facilitate continuous dialogue and feedback among stakeholders. This includes creating forums for stakeholders to voice their concerns, share insights, and participate in decision-making processes. Transparent communication helps to align expectations, build trust, and reduce the potential for conflicts (Scheepens et al., 2016). Additionally, regular reporting on collaborative progress and outcomes enhances accountability and demonstrates the tangible impacts of the partnership, further strengthening stakeholder commitment.

Capacity-building initiatives also play a critical role in enhancing multi-stakeholder collaborations. By providing stakeholders with the necessary skills, knowledge, and resources to participate effectively, companies can empower all parties involved, including marginalized groups that may otherwise be excluded from decision-making processes. Capacity building fosters inclusivity, enhances the quality of collaboration, and ensures that all stakeholders can contribute meaningfully to the ecological transition (Clube & Tennant, 2023).

3. METHODOLOGY

This study employs a conceptual research approach, drawing on a comprehensive review of existing literature and theoretical models related to stakeholder collaboration, ecological transition, and the integration of corporate functions. Conceptual research is particularly suited for exploring emerging phenomena where empirical data may be limited or fragmented, and it allows for the synthesis of diverse academic perspectives to develop a theoretical understanding of complex issues (Meredith, 1993; MacInnis, 2011). The methodology involves three key steps: (i) literature selection and review, (ii) analysis of barriers to multi-stakeholder collaboration, and (iii) we adopted a schematic view (Lau & Woodman, 1995; Ranson et. al., 1980) to apply the multi-stakeholder value map (Civera & Freeman, 2019) to lead to the development of strategies to overcome these barriers, with an emphasis on internal cross-functional alignment.

4. DISCUSSION

4.1. Multi-stakeholder collaborations and their role in ecological transition

Multi-stakeholder collaborations are increasingly recognized as critical to achieving the ecological transition, which requires systemic changes that cannot be addressed by single entities working in isolation (Carrigan et al. 2023; Clube & Tennant, 2023; Beaurain et al., 2023). As also argued by Porter and Kramer (2011), only through collaborations can shared value be created and business success aligned with social progress, benefiting the environment and society . These collaborations bring together different actors in an ecosystem-businesses, governments, NGOs, universities, and communities-to co-create innovative, inclusive, and scalable solutions.

This study used the lens of the multi-stakeholder value map to understand how approaching a multi-stakeholder collaboration can facilitate the ecological transition as a complex problem (Civera, 2022; Coenen et al., 2012; Korhonen et al., 2018). The results, as in Fig.1 illustrating an application of the multi-stakeholder value map (Civera and Freeman, 2019), show that ecological transitions could benefit greatly from the integration and collaboration of different stakeholder groups into a cohesive value-creating network. The map reflects a cooperative environment in which organizations, including companies, government agencies, associations, suppliers, and customers, dynamically interact.

In fact, as a first step, it is noticeable how the map integrates two dimensions: that of corporate and that of society at large. From here it is clear how the overlapping stakeholder groups are interconnected on multiple levels. For example, suppliers, media, government, and communities are integral to the dynamics inside the company as well as those outside the company as major players in both dimensions. These interactions transcend traditional boundaries, linking business functions-particularly marketing and CSR-to broader social and environmental goals. Key stakeholders, such as the media, schools, universities, employees and communities, play a key role in promoting sustainability, as their involvement ensures a comprehensive approach to decision-making, community empowerment and resource allocation. As drawn above, the map highlights the importance of creating multi-stakeholder alliances that enable companies to leverage collective expertise and resources to address environmental issues more effectively.

One noteworthy observation is the overlap of corporate marketing and CSR functions that are integrated with each other in a broader strategy that supports shared sustainability goals. This overlap indicates that responsibility extends beyond individual corporate entities, requiring collaboration across industries and sectors. This structure demonstrates the potential for cross-functional synergy to empower companies to implement sustainable practices that must be recognized, shared, and most importantly communicated and supported by society as a whole.

The alignment of business practices with ecological goals, facilitated by these integrated efforts, enables organizations to implement meaningful, long-term environmental changes. This multi-stakeholder approach reinforces the idea that sustainability is not the preserve of a single actor, but a shared responsibility that is based on cooperation and collective action. Multi-stakeholder collaborations are increasingly recognized as critical to achieving the ecological transition, which requires systemic changes that cannot be addressed by single entities working in isolation (Clube & Tennant, 2023; Beaurain et al., 2023).

However, although multi-stakeholder collaborations are promising, they also face challenges that can hinder their effectiveness. These include competing interests, power asymmetries, and communication difficulties, which must be managed strategically, through effective relationship management as drawn in the map, to ensure that collaborative efforts contribute meaningfully to the ecological transition (Ghelfi & Papadopoulos, 2021).

4.2. Barriers to effective multi-stakeholder collaborations

The literature identifies several barriers that often impede multi-stakeholder collaborations. Conflicting interests between stakeholders are a primary challenge; businesses typically prioritize financial returns, while NGOs and community groups may focus on social or environmental outcomes (Freeman et al., 2010). These differing priorities can lead to misaligned goals and hinder decision-making processes. For instance, research by Beaurain et al. (2023) found that power imbalances, where larger corporations dominate the agenda, often result in decisions that favor economic interests over environmental sustainability.

Trust deficits are another significant barrier. Trust is essential for collaboration, yet it is often fragile in multi-stakeholder settings due to past conflicts, lack of transparency, and perceived opportunism (Ghelfi & Papadopoulos, 2021). Studies show that building trust requires ongoing commitment, clear communication, and shared decision-making processes (Scheepens et al., 2016). For example, the lack of trust in extractive industries has frequently undermined partnerships with local communities, leading to project delays and social unrest (Zadek, 2004).

Communication challenges further complicate multi-stakeholder initiatives. Differences in language, framing, and professional jargon can hinder dialogue, leading to misunderstandings and reduced collaboration efficacy (Jabbour et al., 2019). The complexity of translating technical environmental information into actionable business strategies or community-level initiatives is often underestimated (Scheepens et al., 2016). Empowerment through interconnectedness and multi-stakeholder collaboration could be key to overcoming these barriers in the context of the ecological transition. By fostering a more inclusive and participatory approach, where all stakeholders – ranging from large corporations to local communities – are empowered to contribute equally, these collaborations can become more effective in achieving environmental sustainability. As Gaventa and Barrett (2012) suggest, "empowerment is about enhancing the capacities of marginalized groups to participate in and influence decision-making processes" (p. 38). In the case of the ecological transition, this means ensuring that community organizations, environmental NGOs, and smaller entities are not sidelined by the economic interests of dominant corporate actors.

Moreover, digital platforms and technologies that enable real-time data sharing and transparent communication have become vital tools in managing complex environmental information. According to van der Heijden et al. (2019), "interconnected digital platforms can bridge communication gaps by providing access to environmental data in real time, fostering more informed and transparent decision-making processes" (p. 172). This interconnectedness helps stakeholders navigate the complexities of translating technical environmental data into actionable strategies, facilitating greater collaboration and minimizing misunderstandings that typically undermine environmental initiatives. Lastly, creating a shared vision focused on ecological sustainability can align the diverse interests of stakeholders, promoting trust and long-term commitment. As Freeman et al. (2010) argue, "the alignment of stakeholder values can transform conflicting interests into complementary strengths" (p. 112). When multi-stakeholder collaborations co-create goals rooted in environmental responsibility, they are better equipped to tackle the structural and operational challenges of the ecological transition, ensuring that decisions not only favor economic progress but also prioritize environmental integrity.

4.3. Cross-functional integration: marketing and responsibility as levers for change

Cross-functional integration, particularly between marketing and responsibility functions, is increasingly viewed as a strategic lever for enhancing the effectiveness of multistakeholder collaborations. Marketing functions shape how a company communicates its sustainability commitments, influencing and involving both internal and external stakeholders. Meanwhile, responsibility functions, such as CSR and sustainability departments, ensure that these commitments are translated into concrete actions (Kotler & Lee, 2005).

Research indicates that aligning these functions fosters a holistic approach to sustainability, bridging internal efforts with external stakeholder engagement (Hart & Milstein, 2003). For instance, Polonsky (2011) argues that marketing can be used to promote environmental awareness among consumers and partners, while responsibility functions provide the necessary data and frameworks to ensure these narratives are credible and impactful.

Integrated efforts between marketing and responsibility can address key barriers identified earlier, such as trust deficits and communication challenges. By creating consistent, transparent, and authentic communications, companies can build stronger relationships with stakeholders, enhance trust, and improve collaborative outcomes (Porter & Kramer, 2011). Successful examples, such as Unilever's Sustainable Living Plan, demonstrate how integrated functions can drive sustainability initiatives across the entire value chain, enhancing both environmental performance and stakeholder engagement (Elkington, 2018).

5. PROPOSED STRATEGIES TO OVERCOMING COLLABORATION BARRIERS

5.1. Enhancing internal alignment and building trust

One key strategy for overcoming collaboration barriers is to enhance internal alignment between marketing and responsibility functions, fostering a unified approach to stakeholder engagement (Freeman et al., 2010). Trust-building initiatives, such as transparent reporting and shared value creation workshops, can help align internal objectives with external expectations, thereby enhancing the credibility of collaborative efforts (Zadek, 2004).

For instance, Matten and Moon (2008) highlight that companies that integrate CSR into core business strategies, rather than treating it as an isolated function, are more successful in building trust with stakeholders. Regular communication and feedback loops between internal functions also ensure that all departments are aligned with the company's sustainability goals, reducing the risk of conflicting messages that can undermine stakeholder trust (McWilliams & Siegel, 2001).

5.2. Fostering inclusive decision-making and stakeholder collaboration

Inclusive decision-making processes are crucial for effective multi-stakeholder collaborations. Strategies such as co-creation workshops, stakeholder advisory panels, and participatory design methods can help ensure that all voices are heard, fostering a sense of shared ownership and accountability (Beaurain et al., 2023). Aguilera et al. (2007) suggest that inclusive engagement not only enhances the quality of decisions but also strengthens stakeholder commitment to sustainability initiatives.

Organizations can also leverage digital platforms to facilitate ongoing stakeholder dialogue, allowing for real-time feedback and collaborative problem-solving (Visser, 2011). This approach has been particularly effective in industries like urban planning and renewable energy, where stakeholder input is critical for aligning projects with community needs and environmental standards (Coenen et al., 2012).

5.3. Leveraging marketing and responsibility functions for effective communication and empowerment

Effective communication is central to overcoming the barriers to multi-stakeholder collaborations. Cross-functional teams that combine marketing's expertise in its communication with responsibility's focus on authenticity and data-driven insights can develop clear and compelling narratives that resonate with diverse stakeholders (Kotler & Lee, 2005).

Schaltegger and Wagner (2006) emphasize that communication should not only focus on the successes of sustainability initiatives but also transparently address challenges and setbacks, fostering an environment of openness and continuous improvement. Case studies, storytelling, and sustainability reports can be used as tools to highlight the impact of collaborative efforts and inspire broader participation in the ecological transition (Hart & Milstein, 2003).

6. CONCLUSION, IMPLICATIONS AND FUTURE RESEARCH DIRECTIONS

The results of this research have important implications both academically and for practical applications regarding multi-stakeholder collaborations in the context of ecological transitions. From a theoretical perspective, this study contributes to the existing literature on multi-stakeholder collaborations by clarifying the mechanisms through which stakeholder synergies can break down barriers and co-create value to facilitate ecological transitions. One focus is the integration of marketing and CSR functions that can drive communication and stakeholder empowerment in the ecological transition. In particular, it highlights the importance of reconceptualizing traditional business paradigms to include broader social and environmental considerations. Future research should further explore the theoretical constructs of empowerment and interconnectedness, examining their roles as mediators and moderators within multi-stakeholder contexts. The development of sound theoretical models incorporating these constructs could improve our understanding of stakeholder dynamics and collaborative outcomes.

For the managerial implication, the findings suggest that organizations need to take a more holistic approach to stakeholder engagement. By redefining their role within the multi-stakeholder landscape, organizations can move beyond profit goals and actively contribute to environmental sustainability and social responsibility. This requires the development of comprehensive performance metrics that include not only financial results, but also social and environmental indicators. Companies should implement strategies that promote stakeholder engagement, transparency, and trust, which are key to building collaborative relationships that can effectively address ecological challenges. Future research should prioritize several key areas. First, empirical investigations are needed to assess how multi-stakeholder governance models can be effectively implemented in various sectors, particularly those with a limited history of collaboration. Understanding sector-specific challenges and opportunities will provide insights into best practices for facilitating effective collaborations.

Second, it is imperative to examine the skills and technological infrastructure needed to support multi-stakeholder collaborations. Research should focus on the role of digital tools in improving transparency, accountability, and trust among stakeholders. Studies in this area could produce practical frameworks for leveraging technology to facilitate effective communication and collaboration.

Finally, future research should explore the relational dynamics of empowerment and interconnectedness within multi-stakeholder networks. Investigating how empowerment initiatives can strengthen stakeholder relationships and promote equitable collaborations will be critical to understanding the complexities of multi-stakeholder engagement. This research can also help identify best practices for promoting a culture of collaboration that effectively addresses ecological transitions.

In conclusion, this study clarifies the vital role of multi-stakeholder collaborations in facilitating ecological transitions through the integration of marketing and accountability functions. The results emphasize that empowerment and interconnectedness are key levers in overcoming obstacles to effective collaboration. By fostering collaborative relationships that prioritize sustainability and social responsibility, organizations can contribute significantly to addressing the pressing challenges posed by ecological degradation.

This research provides a fundamental understanding of how multi-stakeholder collaborations can be structured to achieve both ecological and social goals. While this study offers valuable insights, it also recognizes the limitations inherent in examining the complex cultural and institutional barriers to collaboration. Continued exploration of these barriers, along with the dynamics of stakeholder interactions, will be essential to advancing our understanding of effective multi-stakeholder engagement.

Future research should build on these findings by investigating the mechanisms that facilitate or hinder collaborative efforts in different contexts. By promoting dialogue between stakeholders and researchers, we can collectively advance strategies that harness the transformative potential of multi-stakeholder collaborations, ultimately contributing to a sustainable future.

REFERENCES

Aguilera, R. V., Rupp, D. E., Williams, C. A., & Ganapathi, J. (2007). Putting the S back in corporate social responsibility: A multilevel theory of social change in organizations. *Academy of management review*, 32(3), 836-863.

Aksoy, L., Banda, S., Harmeling, C., Keiningham, T. L., and Pansari, A. (2022). Marketing's role in multi-stakeholder engagement. *International Journal of Research in Marketing*, 39(2), 445-461.

Beaurain, F., Scanu, E., & Dao, H. (2023). Multi-stakeholder governance and sustainable development goals: A path for collaborative sustainability. *Journal of Cleaner Production*, 324, 129362.

Bennett, L. W. (1979). Experimental analysis of the trophic ecology of Lepidodermella squammata (Gastrotricha: Chaetonotida) in mixed culture. *Transactions of the American Microscopical Society,* 254-260.

Candelo, E., Casalegno, C. G., & Civera, C. (2021). Digital transformation or analogic relationships? A dilemma for small retailer entrepreneurs and its resolution. *Journal of Strategy and Management*, 15(3), 397-415.

Carrigan, C., & Wylie, C. D. (2023). Introduction: Caring for Equitable Relations in Interdisciplinary Collaborations. Catalyst: Feminism, Theory, Technoscience, 9(2).

Carroll, A. B. (1999). Corporate social responsibility: Evolution of a definitional construct. *Business & society, 38*(3), 268-295.

Civera, C. (2022). *Marketing e responsabilità: superare le dicotomie* (pp. 1-209). Giappichelli.

Civera, C., & Freeman, R. E. (2019). Stakeholder relationships and responsibilities: A new perspective. *Symphonya. Emerging Issues in Management*, (1), 40-58.

Clube, R. K., & Tennant, M. (2023). Collaborative pathways to ecological transitions. *Environmental Innovation and Societal Transitions*, 37, 100-112.

Coenen, L., Benneworth, P., & Truffer, B. (2012). Toward a spatial perspective on sustainability transitions. *Research Policy*, 41(6), 968-979.

Crutzen, P. J., & Brauch, H. G. (Eds.). (2016). *Paul J. Crutzen: a pioneer on atmospheric chemistry and climate change in the Anthropocene* (Vol. 50). Springer.

Dahlsrud, A. (2008). How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate social responsibility and environmental management, 15*(1), 1-13.

de Sousa Jabbour, A. B. L., Luiz, J. V. R., Luiz, O. R., Jabbour, C. J. C., Ndubisi, N. O., de Oliveira, J. H. C., & Junior, F. H. (2019). Circular economy business models and operations management. *Journal of cleaner production*, 235, 1525-1539.

Dimitrova, A., Hollan, K., Laster, D., Reinstaller, A., Schratzenstaller, M., Walterskirchen, E., & Weiss, T. (2013). Literature review on fundamental concepts and definitions, objectives and policy goals as well as instruments relevant for socio-ecological transition.

Elkington, J. (1994). Towards the sustainable corporation: Win-win-win business strategies for sustainable development. *California management review*, 36(2), 90-100.

Elkington, J. (2018). 25 years ago I coined the phrase "triple bottom line." Here's why it's time to rethink it. *Harvard business review*, 25(2-5).

Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Boston: Pitman.

Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & De Colle, S. (2010). *Stakeholder theory: The state of the art.*

Freeman, R. E., & McVea, J. (2005). A stakeholder approach to strategic management. The Blackwell handbook of strategic management, 183-201

Gaventa, J., & Barrett, G. (2012). Mapping the outcomes of citizen engagement. *Development Research Centre*.

Ghelfi, L., & Papadopoulos, I. (2021). Power asymmetries in multi-stakeholder collaborations: Implications for sustainable transitions. *Sustainability Science*, 16(5), 1309-1322.

Hansen, T., & Coenen, L. (2015). The geography of sustainability transitions: Review, synthesis and reflections on an emergent research field. *Environmental innovation and societal transitions*, 17, 92-109.

Hart, S. L., & Milstein, M. B. (2003). Creating sustainable value. *Academy of Management Perspectives*, 17(2), 56-67.

Kopnina, H. (2018). Teaching sustainable development goals in The Netherlands: A critical approach. *Environmental Education Research*, 24(9), 1268–1283.

Korhonen, J., Honkasalo, A., & Seppälä, J. (2018). Circular economy: The concept and its limitations. Ecological Economics, 143, 37-46.

Korhonen, J., Nuur, C., Feldmann, A., & Birkie, S. E. (2018). Circular economy as an essentially contested concept. *Journal of cleaner production*, 175, 544-552.

Kotler, P., & Lee, N. (2005). Best of breed: When it comes to gaining a market edge while supporting a social cause,"corporate social marketing" leads the pack. *Social marketing quarterly*, 11(3-4), 91-103.

Kotler, P., Kartajaya, H., & Setiawan, I. (2016). Marketing 4.0: moving from Traditional to Digital. John Wiley & Sons.

Lau, C. M., & Woodman, R. W. (1995). Understanding organizational change: A schematic perspective. *Academy of management journal*, 38(2), 537-554.

Loorbach, D. (2010). Transition management for sustainable development: a prescriptive, complexity-based governance framework. *Governance*, 23(1), 161-183.

MacInnis, D. J. (2011). A framework for conceptual contributions in marketing. *Journal of Marketing*, 75(4), 136-154.

Matten, D., & Moon, J. (2008). "Implicit" and "explicit" CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Academy of management Review*, 33(2), 404-424.

Mcwilliams A., Siegel D. (2001), "Corporate social responsibility and financial performance: correlation or misspecification?", *Strategic Management Journal*, vol. 21, n. 5, pp. 603-609.

Meredith, J. (1993). Theory building through conceptual methods. *International journal of operations & production management*, 13(5), 3-11.

Polonsky, M. J. (2011). Transformative green marketing: Impediments and opportunities. *Journal of business research*, 64(12), 1311-1319.

Porter, M. E., & Kramer, M. R. (2011). Creating shared value. Harvard Business Review, 89(1/2), 62-77.

Ranson, S., Hinings, B., & Greenwood, R. (1980). The structuring of organizational structures. *Administrative science quarterly*, 1-17.

Schaltegger, S., & Wagner, M. (2006). Managing sustainability performance measurement and reporting in an integrated manner. Sustainability accounting as the link between the sustainability balanced scorecard and sustainability reporting. In Sustainability accounting and reporting (pp. 681-697). Dordrecht: Springer Netherlands.

Scheepens, A. E., Vogtländer, J. G., & Brezet, J. C. (2016). Two life cycle assessment (LCA) based methods to analyse and design complex (regional) circular economy systems. Case: Making water tourism more sustainable. *Journal of cleaner production*, 114, 257-268.

Scherer, A. G., & Palazzo, G. (2011). The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance, and democracy. *Journal of management studies*, 48(4), 899-931.

Steffen, W. (2008). Looking back to the future. AMBIO: A Journal of the Human Environment, 37(sp14), 507-513.

van der Heijden, H. A., Schillemans, T., & Chen, D. (2019). The power of digital platforms in shaping public values: Transparency, participation, and trust in multi-stakeholder governance. *Journal of Public Administration*, 52(2), 168-183.

Visser, W. (2011). The age of responsibility: CSR 2.0 and the new DNA of business.

Whysall, P. (2000). Addressing ethical issues in retailing: a stakeholder perspective. The International Review of Retail, Distribution and Consumer Research, 10(3), 305-318.

Zadek, S. (2006). Responsible competitiveness: Reshaping global markets through responsible business practices. Corporate Governance: *The international journal of business in society*, 6(4), 334-348.

Zadek, S. (2007). The Civil Corporation: The New Economy of Corporate Citizenship. Earthscan.

JEP

Firenze University Press
https://oaj.fupress.net/index.php/jep

Original Articles – Management Studies

The purpose as a catalyst for driving sustainability in corporate governance

Fabrizio Mosca*, Eleonora Greco

Department of Management University of Turin, Italy
E-mail: fabrizio.mosca@unito.it; elegreco2304@gmail.com
*Corresponding author

OPEN ACCESS

Citation: Mosca, F., & Greco, E. (2024) The purpose as a catalyst for driving sustainability in corporate governance. *Journal of Emerging Perspectives* 1: 55-66. doi: 10.36253/jep-16900

Received: September, 29, 2024

Revised: October, 15, 2024

Published: December, 16, 2024

Data Availability Statement: All relevant data are within the paper and its Supporting Information files.

Competing Interests: The Author(s) declare(s) no conflict of interest.

ORCID
FM: 0000-0002-9301-0536

Abstract. Contemporary corporate governance is increasingly intertwined with sustainability goals. This necessitates a shift from a narrow focus on shareholder interests to a broader stakeholder-oriented approach, encompassing environmental, social, and governance (ESG) factors. The integration of ESG considerations into governance frameworks requires a clear definition of roles and responsibilities among boards of directors, shareholders, and other stakeholders. This includes establishing a "corporate purpose" that transcends profit maximization and guides the organization towards sustainable value creation. This paper offers and overview about the effective sustainability governance models that promote transparency, ethical behavior, and accountability, enabling companies to identify and manage emerging risks while capitalizing on opportunities in a rapidly evolving global landscape. This approach fosters a culture of sustainability, contributing to long-term organizational success and societal well-being.

Keywords: sustainability, corporate governance, integrated CSR, stakeholders, purpose.

1. INTRODUCTION

The call to action to achieve Sustainable Development Goals (SDGs) has become a priority for companies across all economic sectors (Latapí Agudelo et al. 2019). The United Nations' 2030 Agenda has intensified the focus on sustainability. This global plan focuses on addressing key challenges through sustainable practices, which, although not immediately affecting business operations, serve as a strategic guide for the future. In 2018, the European Commission published a "Sustainable Finance Action Plan" to promote a financial system capable of supporting sustainable development from economic, social, and environmental perspectives. Businesses are now expected to comply with environmental, social, and governance (ESG) regulations, encouraged by stakeholders and consumers who are increasingly aware of sustainability issues (Visser 2010; Freeman, Martin and Parmar 2020).The concept of sustainable development was first mentioned in the 1987 Brundtland Report, which defined sustainable development as: "Development that meets the needs of the present without compromising the ability of future

generations to meet their own needs". In other words, sustainable development means meeting the needs of the current population while simultaneously safeguarding opportunities for future generations. To do this, it is necessary to quantify current resources and immediately adopt measures to ensure their availability in the future. Therefore, the management of a resource is sustainable only when, once aware of its capacity for regeneration, the resource is not exploited beyond a certain threshold, allowing for complete regeneration.

However, in addition to being difficult to apply, the Brundtland Report's definition of sustainability provides few guidelines on how to achieve sustainable development. On one hand, the definition offers limited guidance on identifying present and future needs. On the other hand, it does not provide suggestions regarding the technologies and resources needed to meet these needs (Hart, 1995; Starik and Rands, 1995). This lack of clarity in guiding toward more sustainable behavior is addressed by Elkington (1998), who, by creating the Triple Bottom Line, defined sustainable development as a reconciliation between three spheres: economic, social, and environmental dimensions.

According to the Triple Bottom Line framework, organizations should not prioritize any one of the three objectives, but must achieve them together by establishing equal and long-term relationships with their stakeholders. In other words, Elkington suggests that organizations should not focus solely on economic goals and performance aimed solely at uncompromising growth; instead, they survive in the long term by pursuing environmental and social objectives.

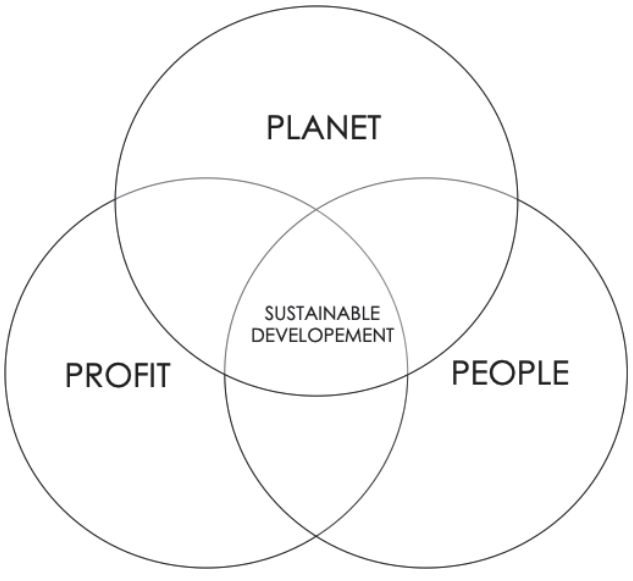

Figure 1. Triple bottom line framework. Source: Mosca & Chiaudano (2024); Mosca & Greco (2024).

Recent contributions by George Serafeim (2022) and Rupert Younger (2023) share this approach. Specifically, Serafeim (2022), in his publication "Purpose and Profit", highlights the most effective approaches to managing the three dimensions of sustainability while simultaneously creating economic value and contributing to collective well-being.

Despite years of intense academic research and institutional work, finding a globally accepted definition of corporate social responsibility (CSR) remains complicated. Many academics have long understood that CSR is a dynamic and constantly evolving concept (Vallester, 2012; Jin, 2019; Mosca & Civera, 2017).

The earliest practices related to sustainable and responsible business management date back to the Industrial Revolution (Carroll, 2009; Visser, 2010). In the mid-19th century, the public began to recognize the need to address social issues within factories, such as wages, poor working conditions, and child labor. Awareness of sustainability's role further increased in the 1920s, when the first American corporation was born. At that time, managers realized that their actions and decisions had positive or negative effects not only for shareholders but also for the well-being of employees, customers, and society at large. As a result, the first corporate code of ethics was established in 1947, and in the 1950s, the concept of CSR entered the corporate lexicon. In 1953, Bowen, considered the father of CSR, provided the first definition of CSR. In his book titled "Social Responsibility of the Businessman", the author states that CSR is a set of mandatory rules that both managers and entrepreneurs must follow when pursuing policies, making decisions, or developing strategic actions to meet the expectations and values of society. His view of CSR reflected the awareness that organizations in general, and businesses in particular, could no longer ignore the significant impact of business on communities (Carroll, 2009).

Despite the growing interest in CSR, practical outcomes were limited until the 1960s, when environmental movements spurred public recognition of the role businesses play in social and environmental conflicts (Visser, 2010). Keith Davis defined CSR in 1960 as actions that should extend beyond mere economic interests. It wasn't until the 1970s that concrete CSR programs emerged, focusing on diverse activities beyond philanthropy (Muirhead, 1999). The debate surrounding CSR during the 1970s and 1980s centered on the balance between economic interests, primarily those of shareholders, and social responsibilities towards other stakeholders,

including employees and communities. In 1971, the idea emerged that within a company, the board and management, when making strategic decisions, should balance various interests: economic, social, environmental, and employee well-being.

In particular, during the 1970s and 1980s, contributions to the definition of CSR came from two opposing theories: Shareholder Theory (Friedman, 1970) and Stakeholder Theory (Freeman, 1984).

Friedman, the father of Shareholder Theory, stated in an article published in "The New York Times" (1970) that "the social responsibility of business is to increase its profits." He believed that the company's responsibility was exclusively on the economic level and that organizations should not aim to achieve anything other than the interests of their shareholders, who are the legal entities for whom the company was created. According to Friedman (1970), all meanings and implications of CSR depended solely on the willingness of companies to forgo part of their economic return to achieve social goals, exclusively in the company's interest and ultimately, that of the shareholders.

Edward Freeman introduced Stakeholder Theory, which has gained increasing relevance since the 1980s because it proposes a holistic view of CSR. As Freeman (1984) stated, the main flaw in previous theories was the idea that the sole purpose of a company was to generate profits to satisfy shareholders (Freeman, 2017), promoting a new approach to business management that required balancing the needs of all stakeholders.

Stakeholder Theory considers the company as an open social system aimed at fulfilling the interests of its shareholders while also meeting the expectations of all other stakeholders. In particular, stakeholders are organized into two categories: primary and secondary. Primary stakeholders include suppliers, consumers, investors, employees, financial institutions, associations, and communities. They represent the people or organizations whose relationship with the company is essential for its survival. Secondary stakeholders include competitors, the media, the public, public institutions, and politics. Secondary stakeholders influence the company's activities but are not essential for its survival.

Freeman, in determining this classification, also stated that companies must strive to meet the needs of all their stakeholders, not just shareholders, who are considered a special category of stakeholders. The result is a concept of CSR characterized by a broad expansion of corporate responsibilities, which go beyond their boundaries and cannot be limited to maximizing profits. According to this view, companies, in pursuing the goal of maximizing value, must not only focus on economic value, represented by profits, but also pay attention to generating broader value.

Stakeholder theory asserts that a company, in conducting its activities, is responsible for generating and increasing wealth not only for itself but, more importantly, for society and, consequently, for the economic system (Carroll, 1991). Freeman's holistic view of CSR serves as a valuable guideline, leading companies today – regardless of sector or country of origin – to adopt socially responsible behaviors that promote the well-being of all stakeholders, while still maintaining a focus on profitability, economic value, and shareholder remuneration.

Initially, CSR was considered a costly and inefficient approach from a business perspective. However, it has now become one of the most widely accepted theories and approaches globally, embraced by large organizations, publicly traded companies, privately held firms, and professional investors alike. Today, most companies establish specific guidelines and dedicated departments focused on sustainability.

The degree of orientation toward the stakeholder approach varies from company to company. According to scholars, in many cases, companies implement superficial CSR actions aimed more at improving corporate reputation and satisfying stakeholder demands than at actively contributing to well-being by reshaping the traditional business model into a more sustainable one (Civera et al., 2018; Hoque et al., 2018). Freeman refers to this type of sustainable approach as residual CSR.

Residual CSR, for example, occurs when companies limit their CSR efforts to actions aimed at complying with voluntary or mandatory regulations and standards. Due to their limited impact on the well-being of the social environment in which the organization operates, so-called residual CSR activities have been recognized as only partially effective in achieving a high level of sustainability commitment within a company. Freeman (1984) suggests implementing integrated CSR to achieve tangible and positive CSR development. Unlike residual CSR, integrated CSR is rooted in stakeholder theory. Through integrated CSR actions, companies go beyond simply responding to bureaucratic obligations or complying with legal standards and codes of conduct. In integrated CSR, companies aim to incorporate environmental and social issues into their strategies, governance, and daily management actions.

Therefore, it is only through an integrated CSR approach that a company can simultaneously meet both stakeholder interests and its financial objectives. By leveraging the definitions of residual and integrated CSR proposed by Freeman et al. (2010), it is possible to

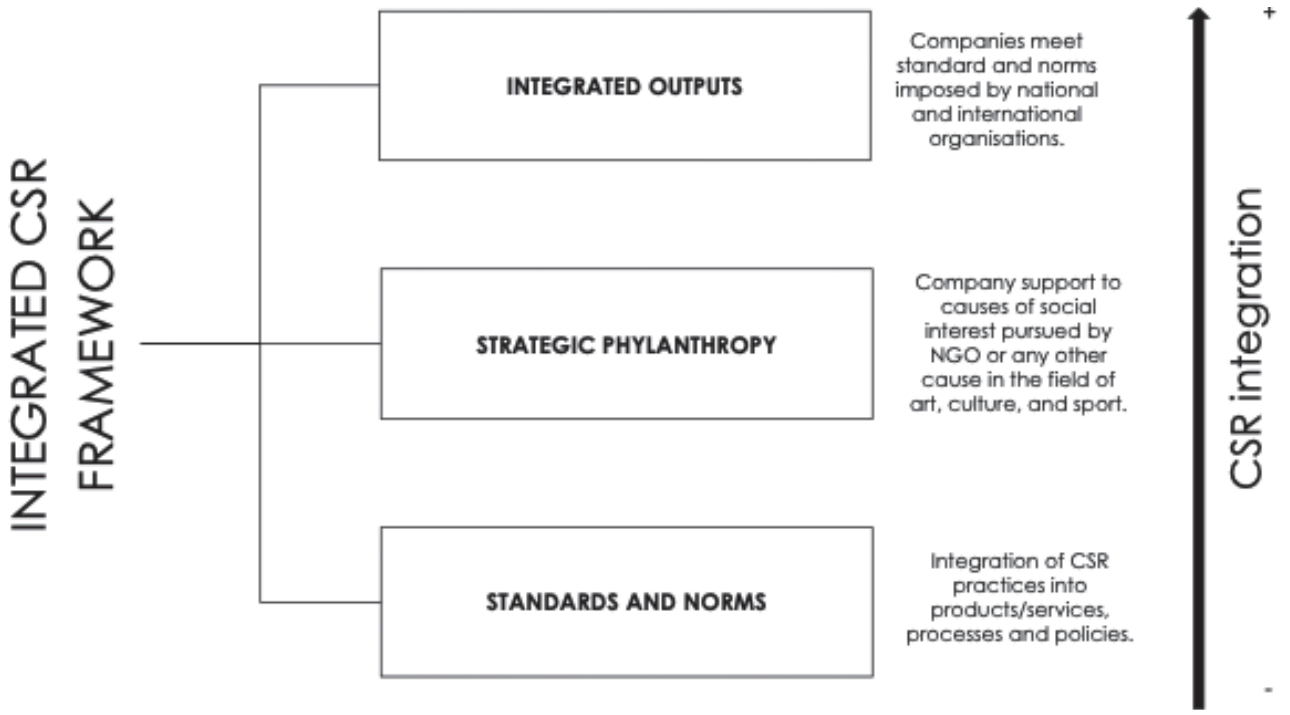

Figure 2. Integrated CSR framework (Mosca et al., 2018). Source: Mosca & Chiaudano (2024); Mosca & Greco (2024).

identify a framework to distinguish which activities represent effective CSR integration models and which do not. This framework structures the integration of corporate responsibility into three dimensions: standards and norms, strategic philanthropy, and integrated outcomes.

Thus, a company's social responsibility efforts grow when an organization shifts from a residual approach, primarily focused on compliance with standards and norms, to strategic philanthropy and, ultimately, to integrated results.

2. CRITICAL ISSUES IN THE APPLICATION OF THE INTEGRATED CSR APPROACH

The theory outlined in the previous section, along with the academic studies proposed by scholars in ethics, management, and social responsibility, clearly indicates that there is compatibility between social responsibility, a stakeholder-focused approach balancing interests, and profitability. Furthermore, studies show that socially responsible actions by organizations lead to higher returns on the capital invested by shareholders in the company. Thus, it is a mistake to view the relationship between shareholders and other stakeholders as a trade-off between interests, as these interests are closely related and often coincide. Despite this understanding, many still see challenges and do not comprehend or agree with the integrated CSR approach. The main considerations, worthy of significant attention and careful observation, relate to the fact that sustainability and unconditional adherence to an integrated CSR approach require substantial investments that a company may not necessarily be able to sustain, at least in the short term. Furthermore, many scholars observe that sustainability and unconditional adherence to an integrated CSR approach can only be pursued by an organization in a context of economic development adequate to support these investments and if the organization has solid long-term prospects and adequate profitability. In the absence of these conditions, the organization will necessarily have to focus solely on creating economic value, prioritizing profits while sidelining sustainability aspects.

Another relevant consideration is that investments in sustainability often do not generate immediate economic returns and represent costs, especially for small and medium-sized enterprises (SMEs) that do not foresee a reasonable return on such investments within a short timeframe; these are often perceived as expenses. For the reasons mentioned above, these investments are systematically postponed unless they are mandatory to comply with binding regulations. Additionally, when government measures and/or regulators impose overly restrictive sustainability requirements, this can create a competitive

asymmetry, giving an advantage to companies operating in market areas where such investments are not mandatory, and regulations are less stringent. In other words, excessive regulation creates a competitive disadvantage for companies that are subject to such regulation.

Particularly, concerning governance aspects, some observe that boards of directors, more generally the governing bodies of companies, are currently appointed by controlling shareholders who tend to be very sensitive to generating economic value unless they have a strong orientation toward sustainability issues. This exclusive focus on profit might slow progress towards the social responsibility goals of organizations. To mitigate this risk, it is crucial to develop governance models that allow shareholders to retain their central role in appointing corporate governing bodies while also balancing the interests of other stakeholders. This is a particularly delicate point, as it must be remembered that it is currently the shareholders in the more advanced legal systems and modern capitalism who have the final say on the appointment of the components of corporate governing bodies. In companies with a narrow shareholder base, such as small and medium-sized enterprises that do not have shares listed on regulated markets, the appointment of governing bodies rests solely with shareholders. To address the issues raised in the previous points, it is essential to identify governance models for both large companies, which must adhere to corporate governance codes that provide precise guidelines for governance in general and particularly for sustainability governance, as well as for closely-held unlisted companies, for which it is more challenging to achieve a balance between the interests of shareholders and other stakeholders. Certainly, to achieve a model that provides for balanced corporate governance oriented towards an appropriate purpose, there are at least three key points that should be considered. A clear definition of governance roles. It is necessary to allocate responsibilities among all parties involved in managing ESG issues, particularly the boards of directors, shareholder groups, C-Level managers, employee representatives, and, if present, stakeholder committees. A composition of boards and rules of operation for boards of directors that are shared by all stakeholders. It is essential that there is a composition and a set of rules that make it possible and understandable to analyze the various risks and interests, taking into account both macro and micro environmental factors; this also means balancing the interests of shareholders with those of closer stakeholders.

A climate of trust and ethical behavior at all levels of the organization. Since the organizational structure is based on the delegation of authority and trust between parties, this requires ethical behavior from all individuals involved in the organization, aimed at instilling an ethical approach and a balanced orientation towards creating sustainable value.

3. TOWARDS AN INTEGRATED MODEL OF SUSTAINABILITY GOVERNANCE

The reasons why companies need to restructure their organizational framework by adopting a sustainability governance model are manifold. In addition to helping the company establish clear objectives and ensuring that the organization's actions and decisions align with sustainability principles – leading to improved performance in terms of reducing environmental impact, promoting social responsibility, and creating long-term value – effective sustainability governance can help identify and manage risks associated with all the critical issues related to climate change, social and ethical matters, and consequently protect the company from potential legal penalties, financial losses, and reputational damage. Stakeholders, in fact, are becoming increasingly aware of sustainability issues, have higher expectations regarding the management of ESG factors by organizations, and feel the need to be increasingly informed about the actions companies are taking. In this sense, an appropriate model of sustainability governance promotes corporate responsibility towards the environment, society, and stakeholders, also contributing to improving the company's reputation and creating an organizational culture based on sustainable values. Furthermore, companies that adopt sustainability governance models can benefit from the creation of sustainable and innovative products and services, making them more competitive in the market and opening the door to new business opportunities. Moreover, particularly concerning larger companies whose shares are listed on regulated markets, it has been demonstrated that a tangible sensitivity, proven by actions and the attainment of ESG Ratings, towards ESG issues leads to an increase in share value and a broader group of stable, long-term investors in the company's shareholder base. It is also worth mentioning the opportunity for sustainable companies to have, under equal financial conditions, access to credit on more favorable terms compared to competitors. Adherence to the regulatory framework for companies presupposes that they have an effective sustainability governance model. In this regard, the new Corporate Governance Code for listed companies reiterates from Principle I of Article 1 the centrality and importance of the Board's role, stating that "the administrative

body leads the company towards sustainable success," understood as "the objective that guides the actions of the administrative body, which consists in creating long-term value for shareholders, taking into account the interests of other relevant stakeholders for the company" (Italian Committee for Corporate Governance, 2020).

In summary, a sustainability governance model is essential for helping companies comply with increasingly stringent regulatory obligations, as well as effectively integrating sustainability into the business strategy, thereby allowing them to address emerging challenges, leverage sustainable business opportunities, and respond to the growing expectations of stakeholders. The acceleration towards sustainable development leads to defining or often even creating a new within the governance bodies, rules, processes, and competencies that enable the company to effectively manage and monitor its social and environmental impact. Although the link between socio-environmental issues and Corporate Governance is now widely recognized, there is still considerable uncertainty about how to integrate social and environmental aspects into decision-making processes (Minciullo, Zaccone, & Pedrini, 2022).

The method of managing sustainability at the corporate level has a starting point: the purpose, from which derives the function that the organization assigns to ESG factors, and consequently its orientation towards sustainability. In particular, it can be said that a company is guided by a purpose if it is publicly committed to a goal beyond profit maximization and if it routinely sacrifices short-term profits to the pursuit of this purpose (George, Haas, McGahan, Schillebeeckx, & Tracey, 2021), meaning if it is publicly committed to a goal that goes beyond maximizing profit and if it regularly sacrifices short-term profits in pursuit of this higher purpose. Therefore, the purpose can be defined as the aim, principle, or ultimate goal that guides the enterprise, based on which it is possible to explain the rationale behind the actions taken by it (Jones, 2016).

However, the corporate purpose is often confused with the mission and vision. While the mission is what a corporation does (David, David, & David, 2014), meaning what the company does and allowing it to be distinguished from others (Pearce II & David, 1987), the vision is the projection of the company into a future scenario (Castro & Lohmann, 2014); for purpose, on the other hand, it refers to why a corporation does what it does (Jones, 2016), the ultimate goal of the actions undertaken by the organization, representing the reason for its existence.

Historically, organizations did not pay much attention to what their broader objectives were beyond creating value for their shareholders.

The debate, first academic and later widespread in business regarding Corporate Social Responsibility, introduced from the 1970s by numerous scholars, among whom E. Freeman stands out, has brought organizational responsibility to the forefront. Throughout the 2000s, organizations, management, and even capital holders became aware of the need to assign a broader and longer-term objective that goes beyond short-term economic results.

Obviously, the intensity with which an organization adopts a socially responsible approach is graduated by the sustainability of its shareholders, the macroenvironment, and microenvironment in which it operates, and the attitude of the CEO and top management. However, the path taken is irreversible in a context where, especially large corporations, have assumed an economic dimension and an impact capacity that in many cases is greater than that of sovereign states themselves.

Depending on the corporate purpose adopted, it is possible to identify three different approaches, management methods, and levels of integration of sustainability – or better, ESG factors – within organizations, which are captured within the three dimensions that make up the Integrated CSR Framework (Mosca & Civera, 2017; Mosca, Civera, & Casalegno, 2018) as detailed below.

The first dimension of the Integrated CSR Framework, "standards, norms & labels," includes all sets of national and international standards, norms, and labels that a company is required to implement to compete globally and represents a more residual approach to sustainability management.

Companies that limit themselves to being compliant with standards, norms, and legal requirements are driven towards social responsibility by the need to align with an increasingly stringent regulatory framework on ESG issues, but they have not yet entered a consciously proactive approach.

Companies that merely fulfill the obligations prescribed by law will therefore perceive sustainability as a component of business risks, that is, as a marginal risk that is managed and monitored in accordance with the evolving regulations to which the company is subject.

The second dimension of the Integrated CSR Framework, "strategic philanthropy," represents a greater level of integration of ESG factors within the company. The more the activities undertaken are consistent with the company's core business, the more the approach towards ESG issues can be considered integrated (Mosca & Civera, 2017). This still partial, albeit positive, integration of ESG factors leads companies to perceive sustainability as a substantial risk to be managed and monitored through actions that go beyond mere compliance with legal standards. This approach highlights a progression

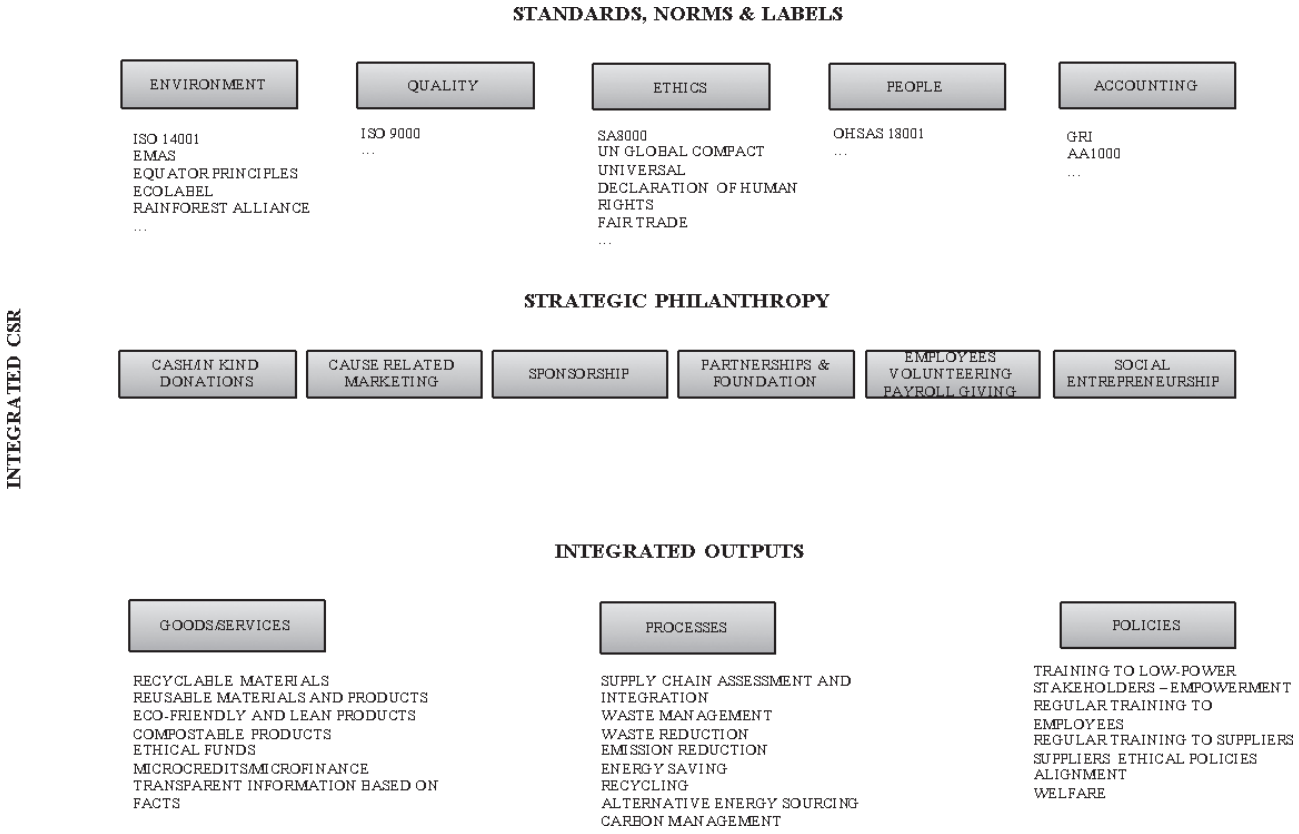

Figure 3. Integrated CSR Framework. Source: Mosca & Civera (2017).

towards responsible and attentive behaviors regarding ESG aspects; however, it often manifests in practice as episodic actions and initiatives by companies that are poorly coordinated and not systematic. This underscores an incomplete integration of ESG principles into the organization's processes. The third and final dimension of the Integrated CSR Framework, "integrated outputs," represents the highest expression of sustainability integration within the company, from governance to the core business activities. This dimension materializes in the integration of social, ethical, and environmental practices into the company's strategy, processes, products, and services offered to consumers. For example, a company adopts an Integrated CSR approach when it successfully incorporates circular economy elements into its products and services (such as designing and developing products with disposal and reuse processes in mind), develops sustainable processes both internally and externally, and ultimately implements policies that continuously stimulate dialogue between middle and top management, between top management and the Board, and between the Board and stakeholders. The goal of the integrated CSR approach is to ensure that the organization grows with a primary focus on sustainable development rather than as a residual concern. This type of approach identifies sustainability as a strategic lever: companies operating in this way systematically identify the risks and opportunities associated with it and attempt to transform them into a competitive advantage. When the purpose is established by the company's leadership, a different perception and a deeper level of sustainability integration at the corporate level emerge, involving all hierarchical levels of the organization along which business strategies regarding sustainability are decided and implemented. In particular, it is possible to identify two hierarchical levels within the company: sustainability governance and sustainability management. In complex organizations, sustainability governance and management are the two levels on which a sustainability governance model is built.

Sustainability governance corresponds to the company's leadership, that is, the level at which strategic choices are made, which may be oriented, depending on the adopted purpose, towards sustainability issues. The strategy is then translated into policies and actions by the second level, sustainability management. Describ-

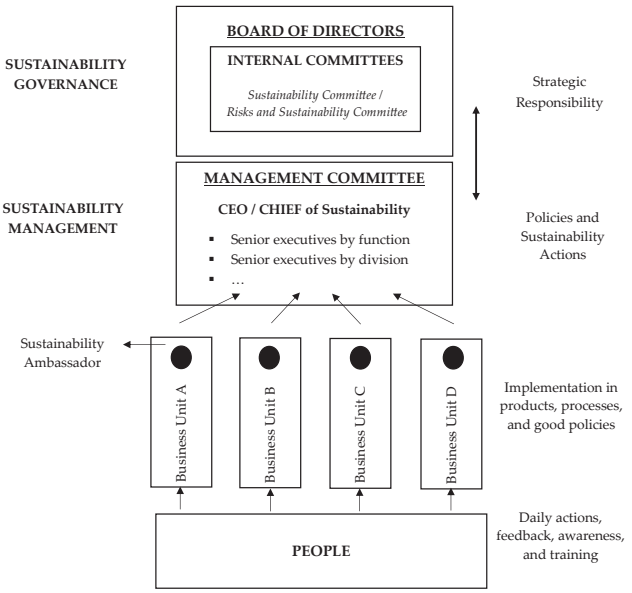

Figure 4. Governance and sustainability management. Source: Mosca & Greco (2024).

ing the framework from top to bottom, it is possible to observe that the first level of the model is constituted by sustainability governance, which is assigned strategic responsibility. Therefore, it is possible for the management of ESG factors to be attributed to existing or newly established internal committees, which "represent the instrument through which structured internal dialogue on relevant issues is developed and then brought to the attention of the Board of Directors" (Organismo italiano Business Reporting, 2022).

In the case of existing internal committees, these are committees that have previously been entrusted with other delegations and only later begin to address the issue of sustainability (for example, the Control and Risks Committee); whereas, in the case of newly established internal committees, such as the "Sustainability Committee," we have a committee with specific delegations regarding the management of this issue, to which additional delegations may also be assigned (some examples could be the Risks and Sustainability Committee, the Corporate Governance and Sustainability Committee, and the Nominations and Sustainability Committee).

This first level of governance is responsible for strategic orientation. The aims and objectives of the company's activities are therefore defined, which are achieved through appropriate policies and actions outlined and implemented by the second level of the framework, the managerial level.

Sustainability management generally materializes in a managerial committee, that is, a group of experts with specific skills selected from within the organization, which is responsible for defining sustainability policies and actions that may or may not be directed towards philanthropic activities, managing the various implications of the same, involving the various business functions.

Therefore, this committee, headed by the CEO or the Chief of Sustainability, includes key representatives from the different business functions and divisions, in order to analyze the feedback received from the company's business units, filter and report this information back to the company's leadership.

To initiate a continuous mechanism of reporting and information exchange, it is necessary to identify a Sustainability Ambassador for each business unit, an individual already present within the organization tasked with spreading the sustainability culture within that business unit, identifying new objectives to pursue and

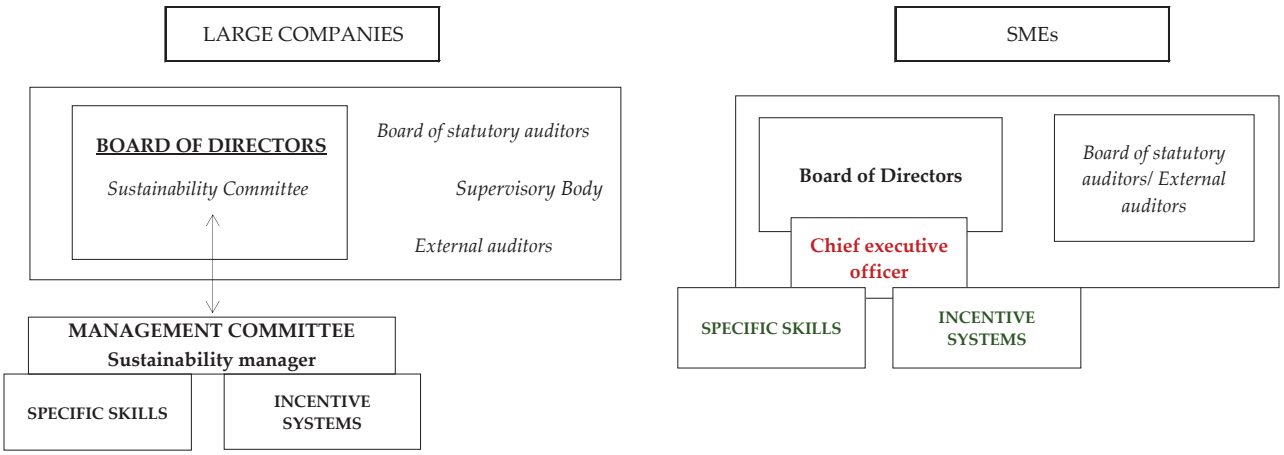

Figure 5. A sustainability governance proposal for SMEs. Source: Mosca & Greco (2024).

initiatives or actions to implement in order to enhance social and environmental issues in the company's products and processes, as well as reporting back on the results achieved and the progress of the actions taken.

However, the model just illustrated is developed following a circular bottom-up approach. The reporting to the managerial committee by the individual Sustainability Ambassadors, and then to the company's leadership, would not be possible if there were not continuous feedback from the people within the organization, who daily carry out actions and are sensitized to achieve the ultimate objectives defined by the company's leadership.

However, the degree of integration of the sustainability governance model varies from case to case. It changes based on the commitment, that is, based on the time and resources dedicated by the organization, which leads not to a different direction of the actions taken, but to a different impact of the same. The illustrated framework, depending on the adopted purpose, can assume different configurations. In companies that perceive sustainability as a marginal or substantial risk, Sustainability Ambassadors are rarely present, and the sustainability managerial committee may eventually be replaced by the figure of the sustainability manager.

Consequently, with the reduction of information exchange between the two levels of the governance model, there will be less integration of sustainability both at the managerial and governance levels, and the actions taken by the organization will primarily aim to fulfill regulatory obligations.

4. A PROPOSAL FOR SUSTAINABILITY GOVERNANCE FOR SMES

Small and medium-sized enterprises (SMEs) are often characterized by a narrow shareholder base, frequently family-owned, where the roles of principal and agent merge, resulting in interests that may not always align with those of the business itself. They also tend to have centralized decision-making power in the hands of a single person, as well as predominantly implicit and non-formalized processes for strategic planning, internal control procedures, and reduced reporting activities towards stakeholders.

In such a context, even with an adequate organizational structure, there is often high exposure to economic uncertainties and emerging risks, both due to the smaller size of these enterprises and the adoption of less structured governance models.

Indeed, having a well-defined organizational structure on paper that is not accompanied by specific competencies, for example, on ESG issues, may not be sufficient to assess, monitor, and counteract the emerging risks to which the business is exposed, such as climate risk and environmental risk.

These risks, although seemingly unrelated to other risks inherent to the business, such as credit risk, can overlap with pre-existing risks.

To address the aforementioned issues, it would be advisable to encourage SMEs to adopt a more structured governance framework with specific competencies suitable for overseeing and mitigating emerging risks and transforming them into sources of competitive advantage.

Starting from the sustainability governance model outlined for large companies discussed in the previous paragraph, it is possible to adapt a sustainability governance model for SMEs, taking into account their specific empirical characteristics.

The opportunity to develop sustainability skills and incentive systems, which link the variable component of the compensation of top executives to sustainability objectives, is also fundamentally important for SMEs.

In this perspective, less structured SMEs, whose legal form is typically limited liability and whose administrative body is monocratic (Sole Director), may acquire the necessary skills to address risks and seize opportunities from external consultants, who support the Director in implementing ESG factors within the company, identifying projects to undertake, and in sustainability reporting phases.

For more structured SMEs, which already have a Board of Directors but lack internal committees with specific delegations for managing sustainability issues, as illustrated in Figure 5, the management of these issues may be entrusted to a CEO, provided that he or she possesses the specific skills related to implementing and managing sustainability topics within the enterprise.

This figure is responsible for integrating ESG factors into the business system, identifying, promoting, and undertaking social and environmental initiatives, overseeing sustainability reporting, and identifying and mitigating emerging risks that could jeopardize business continuity, including through a review of the business model. Furthermore, they must transform actions that might otherwise be mere compliance into opportunities and thus into competitive advantages for the business.

However, just as with large companies, the degree of implementation of ESG factors within corporate governance for SMEs also depends on the purpose adopted.

5. IMPLEMENTATION OF ESG FACTORS IN SMES

In SMEs that limit themselves to implementing ESG factors within the enterprise to fulfill regulatory obliga-

tions, perceiving them as a marginal risk, the activities and actions undertaken by the CEO will primarily focus on sustainability reporting.

It is also possible for SMEs to perceive sustainability as a substantial risk and to implement ESG factors within the enterprise, not only to comply with regulatory obligations but also to promptly identify and mitigate emerging risks, such as the previously illustrated climate risks, which could jeopardize the business's operations. Alternatively, SMEs may decide to transform what could simply be an obligation or actions aimed at mitigating emerging risks into competitive advantages. For example, small and medium-sized enterprises, considering the CSDDD, could integrate ESG factors into their business plans to gain a competitive advantage over major competitors who, having not structured and organized themselves promptly in this regard, could miss market opportunities.

In this latter case, the CEO could be supported by sustainability ambassadors, individuals already present in the company tasked with assisting the CEO in raising awareness and promoting a sustainability culture within the various business functions, as well as identifying new objectives based on the activities performed. They also have the responsibility of identifying and proposing any new initiatives or actions to the CEO to further oversee and implement social and environmental issues within the system, as well as reporting the results and progress of the actions undertaken.

Finally, at the most advanced stage of implementing sustainability issues within the corporate governance of SMEs, compensation schemes could be introduced that link a variable portion of the CEO's compensation to achieving sustainability goals, further incentivizing the implementation and realization of these objectives.

6. CONCLUSIONS

Stakeholders are increasingly attentive to sustainability issues and have heightened expectations regarding organizations' management of ESG factors, feeling the need to be more informed about the actions that businesses are taking.

The European legislator, and consequently national legislators, are introducing regulations aimed at steering businesses toward sustainable business models.

These aspects have direct impacts on corporate governance: regulatory obligations, reporting requirements, and shifts in long-term strategic decisions to enable companies to be more competitive in the market and open doors to new business opportunities, which presuppose going beyond mere compliance.

In this sense, it is essential to adopt an appropriate model of sustainability governance that promotes corporate responsibility towards the environment, society, and stakeholders. This approach also contributes to improving the company's reputation and creating an organizational culture based on sustainable values, while assisting in identifying and managing risks associated with environmental, social, and ethical issues, thereby protecting the company from potential legal penalties, financial losses, and reputational damage.

Just as large enterprises face the need to implement a sustainability governance model, SMEs also encounter different modes of implementation and management of sustainability, which depend on the structure of the governing body, specific competencies on sustainability topics, and the adopted purpose.

In particular, depending on the adopted purpose, three different approaches to the issue have been identified, each attributable to one of the three dimensions of the Integrated CSR Framework, and consequently different ways of adapting the sustainability governance model.

REFERENCES

Bowen, H. R. (2013). Social responsibilities of the businessman. University of Iowa Press. https://doi.org/10.2307/j.ctt20q1w8f

Brundtland, G. H. (1987). Our common future: Report of the World Commission on Environment and Development. UN Document A/42/427, United Nations.

Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. Business Horizons, 34(4), 39-48.

Carroll, A. B. (2009). A history of corporate social responsibility. In A. Crane, D. Matten, A. McWilliams, J. Moon, & D. S. Siegel (Eds.), The Oxford handbook of corporate social responsibility. Oxford University Press.

Carroll, A. B. (2015). Corporate social responsibility. Organizational Dynamics, 44(2), 87-96.

Carroll, A. B. (2021). Corporate social responsibility: Perspectives on the CSR construct's development and future. Business and Society, 60(6), 1258-1278.

Castro, R., & Lohmann, G. (2014). Airport branding: Content analysis of vision statements. Research in Transportation Business and Management, 10, 4-14.

Civera, C., Casalegno, C., Mosca, F., & Maple, P. (2018). Customers' judgments and misjudgments of corporate responsibility communication: A cross-country investigation of the effects on confidence and trust

within the banking sector. Psychology & Marketing, 35(2), 138-149.

Comitato italiano per la Corporate Governance. (2020, January 31). Codice di Corporate Governance. Retrieved September 24, 2022, from Borsa Italiana website: https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf

David, M. E., David, F. R., & David, F. R. (2014). Mission statement theory and practice: A content analysis and new direction. International Journal of Business, Marketing, and Decision Science, 7(1), 95-110.

Davis, K. (1960). Can business afford to ignore social responsibilities? California Management Review, 2(3), 70-76. https://doi.org/10.2307/41166246

Deffains, B., Dieux, X., Dors, L., Durand, R., Fischer, M., Hurstel, D., Mahonen, J., Mayer, C., Mayer, R., Mittwoch, A.-C., Palazzo, G., Scholz, M., Sjafjell, B., Winter, J. W., & Younger, R. (2023). A European corporate governance model: Integrating corporate purpose into practice for a better society. Available at SSRN: https://ssrn.com/abstract=4632353

Elkington, J. (1998). Accounting for the triple bottom line. Measuring Business Excellence, 2(3), 18-22.

Evan, W. M., & Freeman, E. R. (1988). A stakeholder theory of the modern corporation: Kantian capitalism. In T. L. Beauchamp & N. E. Bowie (Eds.), Ethical theory and business (3rd ed., pp. 97-106). Prentice Hall.

Freeman, R. E. (1984). Strategic management: A stakeholder approach. Pitman.

Freeman, R. E. (2010). Strategic management: A stakeholder approach. Cambridge University Press.

Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & De Colle, S. (2010). Stakeholder theory: The state of the art. Cambridge University Press.

Freeman, R. E., & Dmytriyev, S. (2017). Corporate social responsibility and stakeholder theory: Learning from each other. Symphonya: Emerging Issues in Management, 1, 7-15.

Freeman, R. E., & Gilbert, D. R. (1988). Corporate strategy and the search for ethics. Prentice Hall.

Freeman, R.E., Parmar, B.L., Martin, K. (2020), The power of and the power of and: Responsible business without trade-offs, Columbia Business School Publishing.

Friedman, M. (1970). The social responsibility of business is to increase its profits. New York Times Magazine, SM, 17.

George, G., Haas, M. R., McGahan, A. M., Schillebeeckx, S. J., & Tracey, P. (2021). Purpose in the for-profit firm: A review and framework for management research. Journal of Management. https://doi.org/10.1177/01492063211006450

Hart, S. L. (1995). A natural-resource-based view of the firm. Academy of Management Review, 20(4), 986.

Hoque, N., Rahman, A. R. A., Molla, R. I., Noman, A. H. M., & Bhuiyan, M. Z. H. (2018). Is corporate social responsibility pursuing pristine business goals for sustainable development? Corporate Social Responsibility and Environmental Management, 25(6), 1130-1142.

Jin, C.-H., & Lee, J.-Y. (2019). The halo effect of CSR activity: Types of CSR activity and negative information effects. Sustainability, 11(7), 2067.

Jones, B. (2016, February 2). The difference between purpose and mission. Harvard Business Review. https://hbr.org

Latapi Agudelo, M. A., Johannsdottir, L., & Davidsdottir, B. (2019). A literature review of the history and evolution of corporate social responsibility. International Journal of Corporate Social Responsibility, 4(1).

Minciullo, M. (2019). Corporate governance and sustainability: The role of the board of directors. Springer.

Minciullo, M., Zaccone, M. C., & Pedrini, M. (2022). La governance della sostenibilità: Esperienze e sfide in atto. Egea.

Mosca, F., Civera, C., & Casalegno, C. (2018). The communication of sustainability by Italian fashion luxury brands: A framework to qualitatively evaluate innovation and integration. In Sustainable luxury, entrepreneurship, and innovation (pp. 81-101).

Mosca, F., & Civera, C. (2017). The evolution of CSR: An integrated approach. Symphonya: Emerging Issues in Management, 1, 16-35.

Mosca, F., Chiaudano, V. (2024). Sustainability and Luxury Management. Routledge.

Mosca, F., Greco, E. (2024), Purpose governance e nuovi scenari competitivi, Milano, Egea.

Muirhead, S. A. (1999). Corporate contributions: The view from 50 years. Conference Board.

Organismo Italiano Business Reporting. (2022, April 30). Informazioni non finanziarie per gli adeguati assetti e per la previsione delle crisi nelle PMI. Retrieved from www.osservatorio-insolvenza.it

Pearce II, J. A., & David, F. (1987). Corporate mission statements: The bottom line. Academy of Management Executive, 1(2), 109-116.

Porter, M. E., & Kramer, M. R. (2002). The competitive advantage of corporate philanthropy. Harvard Business Review, 80(12), 56-68, 133.

Serafeim, G. (2022). Purpose and profit: How business can lift up the world. HarperCollins Focus.

Starik, M., & Rands, G. P. (1995). Weaving an integrated web: Multilevel and multisystem perspectives of

ecologically sustainable organizations. Academy of Management Review, 20(4), 908.

Tracey, P. (2021), Purpose in the For-Profit Firm: A Review and Framework for Management Research, *Journal of Management*, https://doi.org/10.1177/01492063211006450

Vallaster, C., Lindgreen, A., & Maon, F. (2012). Strategically leveraging corporate social responsibility: A corporate branding perspective. California Management Review, 54(3), 34-60.

Visser, W. (2010). The age of responsibility: CSR 2.0 and the new DNA of business. Journal of Business Systems Governance & Ethics, 5(3).

JEP

Firenze University Press
https://oaj.fupress.net/index.php/jep

Case Studies

How vertical integration through M&A supports sustainable development: the case of Pattern Group

Valentina Chiaudano*, Hafsa Shakil

Department of Management, University of Turin, Italy
E-mail: valentina.chiaudano@unito.it; hafsashakil0@gmail.com
*Corresponding author.

OPEN ACCESS

Citation: Chiaudano, V., & Shakil, H. (2024) How vertical integration through M&A supports sustainable development: the case of Pattern Group. *Journal of Emerging Perspectives* 1: 67-76. doi: 10.36253/jep-16901

Received: September, 30, 2024

Revised: October, 17, 2024

Published: December, 16, 2024

Data Availability Statement: All relevant data are within the paper and its Supporting Information files.

Competing Interests: The Author(s) declare(s) no conflict of interest.

ORCID
VC: 0000-0003-3249-698X
HS: 0009-0000-1178-0653

Abstract. In recent decades, the textile industry has faced major sustainability challenges, including high environmental impact, intensive use of natural resources and unethical working conditions along the supply chain. In response to these challenges, luxury companies are increasingly paying attention to the sustainability of their supply chains, also employing upstream integration strategies. This article analyses the case of the Pattern Group to understand how vertical integration, achieved through mergers and acquisitions (M&A), can foster sustainable development in the luxury textile sector. Based on a qualitative approach, the research examines the Pattern Group's acquisitions through M&A, specifically focusing on their impact on sustainability's economic, social and environmental dimensions. The results show that vertical integration through M&A allows for greater control of the supply chain, stimulates sustainable innovation, preserves craftsmanship skills and creates an aggregation of companies that can strengthen the international competitiveness of a specific area.

Keywords: supply chain, sustainable development, luxury textile, merger and acquisition, sustainability.

1. INTRODUCTION

The textile industry, a key pillar of the global economy, is worth an estimated USD 1.3 trillion and employs over 300 million workers (Ellen MacArthur Foundation, 2024). However, its rapid expansion characterised by the doubling of textile fibre production between 2000 and 2022 has led to serious environmental and social consequences (European Parliament, 2023). Every year, the textile industry generates millions of tonnes of waste, contributes to water pollution and produces significant carbon emissions (Abbate et al., 2023; European Environment Agency, 2023; Sole 24 Ore, 2024). Luxury fashion, despite its focus on quality craftsmanship and exclusivity, is not immune to these issues (López et al., 2023; Mosca & Chiudano, 2024). Using high-impact materials such as leather and the dependence on suppliers in regions with less stringent labour regulations further aggravate sustain-

ability challenges in the high-end textile market (Brun & Karaosman, 2020). In response to these challenges, some authors suggest that if luxury companies want to become sustainable, they must establish a sustainable supply chain by showing increasing control over suppliers (Arcuri & Giolli, 2022; Karaosman et al., 2017). The luxury industry's current supply chains are long and fragmented, which complicates the management of the three pillars of sustainable development (Bubicz et al., 2021; Huq et al., 2016). As supply chains grow longer and more complex, interactions between stakeholders diminish, making it increasingly difficult to monitor compliance with ethical standards (Bubicz et al., 2021; Wilhelm et al., 2016). Among the others, Arcuri and Giolli (2022) highlight that vertical upstream integration offers a potential solution, enabling luxury companies to meet the growing demand for being more sustainable while remaining competitive in an increasingly eco-conscious market. Lopez et al. (2023) also suggest that vertical integration across the luxury brand value chain indicates efforts toward more sustainable production.

However, although existing research demonstrates the positive impact of upstream vertical integration on environmental performance (Arcuri & Giolli, 2022; Karaosman et al., 2020; Lopez et al., 2023), further studies are needed to explore how luxury companies can afford vertical integration and share these benefits along the supply chain (Athwal et al., 2019; Kunz et al., 2020). This study aims to fill this gap, using the compelling single case study of Pattern Group to explore vertical integration through merger and acquisition (M&A) in the Italian textile sector.

Data were collected through primary sources, including interviews with key Pattern Group stakeholders, and secondary sources, such as academic literature, industry reports and financial statements (Eisenhardt & Graebner, 2007; Yin, 2003). The analysis is framed within the Triple Bottom Line (TBL) framework (Elkington, 1994; 2018), assessing how Pattern Group's integration efforts through M&A have contributed to economic, social, and environmental sustainability.

The findings of this study offer valuable insights for managers in the textile industry, particularly within the luxury segment, who seek to balance economic growth with sustainability goals. These findings suggest that vertical integration through M&A emerges as a key strategic approach to enhancing sustainability across complex supply chains. It facilitates the preservation of high-quality standards and accelerates the adoption of sustainable materials and technologies, thereby fostering product innovation and reducing environmental impact.

2. LITERATURE REVIEW

2.1. Sustainable development

The concept of sustainable development was first introduced in the Brundtland Report where it is defined as "*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*" (Brundtland 1987, p. 8). Basically, this means making sure that the current population's needs are met without denying future generations the same opportunities. To achieve this goal, it is crucial to quantify the resources available today and to take immediate steps to ensure their long-term conservation. The management of a resource is considered sustainable only if, knowing its regenerative capacity, it is not exploited beyond a certain limit, thereby allowing for its complete renewal (Velenturf & Purnell, 2021).

However, the definition of sustainability provided by the Brundtland Report leads to unresolved questions. On the one hand, it offers general guidelines for identifying present and future needs, but on the other hand, it does not provide concrete directions on the technologies and resources required to meet those needs (Hart, 1995; Starik & Rands, 1995). This lack of clarity in promoting more sustainable behaviours was addressed, among others, by Elkington (1994; 2018), who established the concept of sustainable development through the TBL framework. This framework defines sustainable development as the balance among economic, social, and environmental dimensions, promoting fair and lasting relationships with stakeholders. By integrating these three elements, the TBL model encourages organisations to adopt a more holistic approach to decision-making, aligning themselves with broader social and environmental goals. This approach shifts the focus from mere financial success to the long-term sustainability of business practices (Norman & MacDonald, 2004; Weisenfeld & Hauerwaas, 2018). For this reason, many companies, especially those in challenging industries like textiles where environmental degradation, poor working conditions, and resource scarcity present significant obstacles, use the TBL framework to guide their sustainability path (Hiller Connell & Kozar, 2017).

3. CHALLENGES FOR SUSTAINABLE DEVELOPMENT IN THE LUXURY CLOTHING TEXTILE INDUSTRY

The textile sector is one of the pillars of the world economy, with an estimated value of USD 1.3 trillion and over 300 million workers employed throughout the production chain (Ellen MacArthur Foundation, 2024).

Between 2000 and 2022, global production of textile fibres doubled from 58 to 116 million tonnes, with a projected growth to 147 million tonnes by 2030 (European Parliament, 2023).

Despite the economic importance of the textile sector, the growing demand for clothing products, coupled with the reduction of the average life of clothes by 36%, results in negative consequences for both the environment and society (Gualdi, 2020). This overproduction and rapid consumption of clothing generates millions of tonnes of textile waste every year, a significant percentage of which is sent to landfills, incinerated or exported, while only a small portion is recycled (Bosch Meier et al., 2024). In addition to its environmental impacts, the textile industry also negatively affects society. Indeed, the pursuit of unrealistic production targets and the promotion of underpaid contracts are harmful to workers, who operate in precarious conditions and with daily wages often below the poverty line (Annapoorani, 2017). Despite their emphasis on craftsmanship and quality, even textile companies that operate in the luxury market, produce a significant environmental footprint (Brun & Karaosman, 2020). Leather production, for example, requires vast amounts of water and energy and generates harmful chemical waste, like the chromium used in tanning processes poses significant environmental risks due to its toxic nature. Furthermore, the use of rare and exotic materials for producing luxury apparel items puts additional strain on endangered species and fragile ecosystems (Brun & Karaosman, 2020). Particularly, luxury companies face significant challenges in their long and fragmented supply chain, resulting in obstacles in harmonising the three dimensions of sustainable development (Abbate et al., 2023). The luxury brand supply chain counts an overwhelming presence of small and medium companies with limited human and financial resources (Saccani et al., 2023). As the supply chain grows longer and more complex, communication between stakeholders decreases, making it increasingly difficult to monitor compliance with sustainable principles (Bubicz et al., 2021; Wilhelm et al., 2016; Karaosman et al., 2020). Moreover, in the long supply chain, many companies rely on subcontractors in countries with weak labour laws, which often leads to the exploitation of workers who endure poor working conditions, long hours, and low wages, starkly contrasting with the luxury brands' polished image (Karaosman et al., 2017; Holmqvist & Kowalkowski, 2023). In response to these challenges, luxury brands are increasingly recognizing the need to enhance their supply chain practices by adopting increasing control over suppliers (Karaosman et al., 2017). Scholars emphasize that buyers have a responsibility to support their sub-suppliers directly by acknowledging and rewarding the social and environmental efforts of sub-suppliers and providing them with opportunities for learning and growth (Fontana et al., 2024).

4. GROWTH THROUGH INTEGRATION IN THE LUXURY CLOTHING TEXTILE INDUSTRY

Among the strategies to improve supply chain sustainability in the luxury market, vertical integration is gaining increasing attention. As noted by MFF Ballestri of Intesa Sanpaolo: *"Acquisitions in the supply chain are a trend. They enable the preservation of know-how while addressing size challenges"* (Milano Finanza, 2024). This strategy is not new for luxury brands. Over the past three decades, the luxury sector has experienced a progressive process of concentration in which major players have promoted their growth by integrating other companies and brands to form large, diversified groups controlling numerous high-end brands (Som & Blanckaert, 2015). These integration processes, primarily executed through M&A are designed to create cost synergies in areas such as logistics, operations, information technology, and financial and resource management (Mosca, 2018). However, large conglomerates that initially focused on integration strategies to gain cost reduction are now shifting towards upstream expansion strategies to improve environmental sustainability, product quality, and customer responsiveness (Arcuri & Giolli, 2022). Recently, by fostering strong relationships based on trust and collaboration, large firms have worked closely with their suppliers to transfer innovations and resources throughout the supply chain, enabling the adoption of sustainable practices and effective resource sharing (Karaosman et al., 2020). In addition, Lopez et al. (2023) argue that vertical integration throughout the luxury brand value chain reflects a commitment to more sustainable production practices, not only in big conglomerates but also in the case of a single brand. For example, Chanel's M&A strategy focuses on vertical supply chain integration and innovation in sustainable materials. Chanel has reported acquiring or participating in 47 companies (mainly small factories and specialists vital for supplying its luxury products) to gain a competitive advantage in accessing high-quality materials while ensuring the sustainability and traceability of raw materials (Deloitte, 2023).

However, even if studies and reports acknowledge that upstream integration has a positive impact on environmental performance (Arcuri & Giolli, 2022; Deloitte 2023; Karaosman et al., 2020; Lopez et al., 2023), a gap

still exists in understanding how vertical integration contributes to sustainable development along the supply chain (Athwal et al., 2019; Kunz et al., 2020). This article aims to bridge that gap through a case study of an Italian company that has initiated an integration process in Italy with a strong focus on sustainability, addressing the following research question: *"How can vertical integration through M&A contribute to sustainable development?"*.

5. METHODOLOGY

To address the research question, the authors employed a qualitative methodology using a single, in-depth case study to examine a specific phenomenon (Eisenhardt & Graebner, 2007; Siggelkow, 2007; Yin, 2014). This approach allows researchers to gain insights into complex situations (Stake, 1995) within a defined context (Eisenhardt et al., 2016). Moreover, the single case study method is especially effective for answering 'how' and 'why' questions (Yin, 2014), as in our case.

The authors structured their research methodology in three phases (Stake, 1995). In the first exploratory phase, they gathered information from secondary sources, such as news in scientific journals, newspapers, magazines, databases and websites. According to previous studies, a literature review can achieve the same goal as the real-life context (Yin, 2014; George & Bennett, 2005). The main objective of this phase was to gather information on sustainable development in textiles, challenges and best practices with a focus on integration strategies through M&A. By examining newspapers, websites and other secondary sources of information, several target companies were identified. Among the different companies identified, the authors selected Pattern Group, as the main representative company in the luxury textile industry to analyse the case, considering the numerous acquisitions Pattern Group has pursued since 2014 and the success of these in terms of revenue (+33.14% revenue in 2023 compared to 2022).

In the second phase, primary data were collected. The authors were invited to visit the company in person, at its headquarters in Collegno, where they were able to meet the company's CEO and an AI technician, who were interviewed based on a protocol of questions defined from the analysis of the literature on sustainable development and M&A. The interview was organised in a semi-structured form to allow the interviewee to provide additional useful information on the acquisitions and their contribution to the three areas of sustainable development.

The interview was recorded and transcribed by one author and then analysed independently by the authors, intending to reduce subjectivity in the interpretation of the data. The individual interpretations of the results were then compared.

In the third phase, the study also made use of other data sources, including company financial statements, information published on Pattern Group's website and on authoritative business and finance (Sole 24 Ore, Financial Times) or industry websites (Pambianco News; Fashionnetwork).

Triangulation of the data helped the authors to improve the comprehensive nature of the information (Eisenhardt, 2016) and the degree of accuracy of the study results (Yin, 2003). Finally, the authors analysed all collected data with special reference to the sustainable development framework (Elkington, 1994; 2018), which served as a framework to assess how integrations contributed to sustainable development in the luxury fashion textile sector.

6. CASE STUDY

6.1. The origins of Pattern: a vertically integrated company in the menswear sector.

Pattern S.r.l. was founded in 2000 resulting from the merger of two business units with complementary expertise. The first unit was dedicated to the design, styling, prototyping and production of patterns and garments, together with other textile products. The second unit focused on the development and production of patterns and sizing systems for clothing. These units were originally part of Pattern Immobiliare S.r.l. and Pattern Production S.r.l., both owned by Fulvio Botto and Francesco Martorella, expert pattern makers at Gruppo Finanziario Tessile, the largest clothing company in Italy until the late 1990s.

The founders' strategic vision was to create a new company operating in the B2B apparel design sector, capitalising on the vast experience the two founders had acquired working with national and international fashion houses. More specifically, the founders' objective was to market a vertically integrated business model to offer a complete range of services from design and engineering to prototyping, sample creation and garment production for international luxury brands. Initially, the company focused on men's fashion design, expanding in 2005 to include women's collections. In 2009, Pattern S.r.l. opened a new production facility in Collegno, near Turin, to support its future expansion lines. Subsequently, in 2014, it acquired the majority of the Esemplare brand, a non-profit organisation, formerly owned by Riese S.p.a., which is committed to "*dedicate all its*

profits to the realisation of projects aimed at transmitting and preserving the savoir-faire of Italian fashion, creating a link between the knowledge of past generations and the potential of future generations" (Esemplare, 2024).

6.2. Pattern Group: integrations and the birth of the Italian luxury design and manufacturing hub

Since 2017, Pattern has committed to a structured growth path that led in 2020 to the creation of the Pattern Group, known as "The Italian luxury design and manufacturing hub" (Table 1). The group operates in all major product categories of the B2B luxury textile sector, covering the entire supply chain from research and engineering to production.

The upstream integration process through M&A began with the acquisition of Roscini Atelier, a Spello-based company known for its collaborations with some of the most prestigious fashion brands, specialising in the production of made-to-measure and ready-to-wear garments for women. The acquisition was aimed at relaunching the Roscini Atelier in decline while preserving its craftsmanship skills.

In 2020, Pattern acquired a majority stake (51%) in Società Manifattura Tessile (SMT), a company founded in 2000 in Spello that specialises in the production of luxury knitwear. SMT is strongly focused on R&D and technologies, and its acquisition provides the group with the best-performing knitting technology according to customer requests.

Subsequently, 2021 was a crucial year for Pattern's expansion. In July, the company acquired a majority stake in Idee Partners, based in Scandicci (Florence), the heart of Italian luxury leather goods. Idee Partners stands out for its support of brands in the design, development and production of luxury accessories, particularly handbags and small leather goods, offering innovative, high-quality solutions. In 2021, Pattern acquired Petri & Lombardi, also based in Scandicci and specialising in the production of high-end leather accessories. The company built a reputation for the craftsmanship of its products, collaborating with international luxury brands and boasting extensive experience in working with leather and creating exclusive bags and accessories. In the same year, Pattern finalised its acquisition of D'Ambrosio Confezioni, a company established in the 1980s in Nola, located in the province of Naples. This acquisition enhances the group's expertise in high-end Made in Italy tailoring specialisation.

In 2022, the acquisition of Zanni S.r.l., based in Borgonovo Val Tidone (Piacenza), was an important strategic move for Pattern. Zanni S.r.l., which specialises in the production of high-quality luxury knitwear, is recognised for the craftsmanship and precision of its knitwear and contributes to Pattern's expansion and consolidation with a focus on sustainable innovation.

Also in 2022, Pattern further strengthened its position with the acquisition of RGB S.r.l., a company based in Bregnano (Como), which specialises in the development of technical garments with a strong focus on innovation, the use of advanced materials and state-of-the-art processes.

In the same year, Pattern made three other strategic acquisitions: Dyloan Bond Factory, Shapemode and D-House. Dyloan Bond Factory, based in Chieti, is a company specialising in advanced clothing manufacturing technologies, such as thermoforming and ultrasonic welding, eliminating traditional seams and improving garment functionality and design. This acquisition strengthens Pattern's technological know-how, with a focus on research and development of special processes and semi-finished products, and the expansion of production capacity between the Chieti and Villamagna plants, which specialise in the manufacture of outerwear, outerwear and jersey.

Milan-based Shapemode, a company specialising in digital innovation and the development of 3D design and additive manufacturing (3D printing) technologies applied to fashion and design, is another significant acquisition. Finally, the acquisition of Milan-based D-House Urban Laboratory, a technological innovation centre focused on advanced solutions for fashion and design, consolidated Pattern's commitment to the integration of innovative and sustainable technologies. D-House promotes cross-sector collaborations and fosters the development of cutting-edge technologies, improving production efficiency and promoting sustainability in the luxury fashion industry.

Finally, Pattern consolidated its integration plan in 2023 with the acquisition of Nuova Nicol S.r.l. and Umbria Verde. Nuova Nicol S.r.l., based in Treviso, Veneto, specialises in the production of high-quality clothing and accessories, with a strong focus on innovation and craftsmanship. This acquisition positions Pattern even more strongly in the luxury fashion market, strengthening Pattern's reputation as a responsible and sustainable innovator.

Umbria Verde, a company specialising in the production of environmentally sustainable fabrics and materials using ecological agricultural practices and processing, integrates a supply of sustainable and innovative materials to enrich Pattern's offering and meet the growing demand for sustainable fashion.

Table 1. Pattern Group acquisitions from 2013 to 2023.

Year	Acquisition	Activities
2017	Roscini Atelier	Womenswear engineering & prototyping
2020	SMT	Luxury knitwear prototyping and production
2021	Ideas Partners	Leather goods development and production
2021	Petri & Lombardi	Leather production
2021	D'Ambrosio packaging	Womenswear lightweight production
2022	Zanni	Whole Garments knitwear
2022	RGB S.r.l.	Bag Manufacturer
2022	Dyloan Bond Factory	Innovation and outerwear and down production
2022	Shape mode	Industrial design studio specialising in additive manufacturing
2022	D-House	Group R&D
2023	New Nicole	Women's knitwear production
2023	Umbria Green	Luxury Knitwear Production

As of 2024, following the various M&A, the Pattern Group comprises 12 companies across 13 locations in 7 regions of Italy. These companies operate in key luxury goods categories – including men's and women's fashion, clothing and accessories, textiles, knitwear, and leather goods – covering the entire process from research and design to production. The group reported a turnover of 145.6 million euros and an operating profit of 23.4 million euros.

7. PATTERN GROUP'S M&A CONTRIBUTIONS TO SUSTAINABLE DEVELOPMENT

The analysis of Pattern Group reveals that vertical integration through M&A leads to a sustainability-focused approach aimed at enhancing the resilience of its textile supply chain while addressing environmental, social, and economic challenges. Through M&A, Pattern has strengthened its ability to monitor and optimise the entire supply chain, fostering transparency and promoting environmental and social responsibility while ensuring economic sustainability. Specifically, Pattern Group's upstream vertical integration through M&A contributes to sustainable development by addressing four key dimensions: control of the supply chain, development of sustainability-oriented technologies, the protection and enhancement of craft skills while fostering the development of new skills, and the establishment of a critical mass to maintain the sector's competitiveness.

7.1. Control over the supply chain

The M&As conducted by Pattern have led to a more effective and integrated control of the textile supply chain, to responsibly manage environmental and social risks. Through M&A, Pattern has consolidated its ability to monitor and optimise the entire supply chain, promoting transparency and sustainability. The due diligence practices extended to all acquired companies allow Pattern Group to guarantee fair working conditions and adequate wages to all members of the supply chain, in alignment with the SA8000 international standards. As Luca Sburlati stated: "*We continue to invest in sustainability and control of the supply chain, we are one of the few companies to have all locations, from leather goods to ready-to-wear and knitwear, SA8000 certified*". In addition, supply chain control allows Pattern to actively involve its suppliers (who are now part of the Pattern Group) in decarbonisation and emission reduction targets, promoting responsible use of resources such as water, energy and materials. These activities are periodically monitored to verify regulatory requirements and compliance with sustainability criteria. Along these lines, Pattern asked the acquired companies to set up the figure of Chemical Manager within their production sites, with the task of leading the implementation of a chemical management system in line with the principles of the ZDHC protocol, which allows the monitoring, assessment and management of the chemical risk linked to the use of hazardous chemicals in the production processes of the entire supply chain. The strength of this project is the sharing of a univocal protocol, guidelines and unified tools within the supply chain, which is of fundamental importance to achieve shared and measurable environmental impact reduction objectives. In addition, Pattern has promoted the adoption of circular economy models among the acquired companies, creating closed loops where end-of-life products are returned and recycled into new products. This approach not only reduces waste but encourages more efficient and sustainable resource management.

7.2. Development of sustainability-oriented technologies

Pattern Group's organisational model exploits the synergies created between the companies in the group to develop sustainability-oriented know-how and technologies. The different companies work together in a structured way to stimulate innovation, research and practical solutions, meeting the challenges of an increasingly demanding market to implement technological innovations for sustainability in products and semi-finished products.

For example, through the integration of Società Manifattura Tessile (S.M.T.), Zanni Maglieria and Nuova Nicol S.r.l., Pattern has built the luxury Knitwear Hub, a cohesive ecosystem of companies united in the pursuit of excellence and innovation. By collaborating and sharing resources, the hub can offer innovative, high-quality knitwear solutions that meet the needs of sustainability in the high-end market. Zanni Maglieria brings to the Luxury Knitwear Hub a rich heritage and solid technical excellence, thanks to its specialisation in the production of seamless garments using SHIMA SEIKI WHOLEGARMENT® technology, while S.M.T's dedicated R&D department also promotes innovations to the other members of the hub.

7.3. Protecting and enhancing craft skills and developing new skills

In the past, the choices of large fashion houses to delocalise production to developing countries have favoured the creation of an extended supply chain, sometimes in conflict with the need to preserve the priceless heritage of skills synonymous with Made in Italy.

Pattern's strategy of acquiring, through a structured M&A process, several Italian textile excellences contributes to social sustainability, ensuring the preservation and enhancement of artisanal skills, combining them with the most advanced technologies such as digital engineering and 3D prototyping: "*After consolidating a resilient supply chain focused on ready-to-wear, leather goods and knitwear through strategic acquisitions […] we are ready to […] invest in Italian excellence, integrating an additional set of technical excellence skills in knitwear.*"

Furthermore, in enhancing craft skills with technology, the Pattern Group also pays special attention to the issue of generational turnover, acting as a catalyst for young people to join all the factories that are now part of the group. "*In all our hubs we have Academies, where the first hires have already begun,*" emphasises CEO Sburlati. "*The wind is changing: more and more young people are approaching this world and understand the value of craftsmanship, which today is increasingly hybridised with technology.*"

In this context, the acquisition of Dyloan Bond Factory is a significant example of how Pattern has contributed to social sustainability both by safeguarding craftsmanship and promoting new skills among young people. This operation has enabled Pattern to expand its presence in Abruzzo, a region of strategic importance for the fashion industry, where there is, however, the risk of a generation gap due to retirements and a shortage of adequately trained staff. To counter this risk, Pattern has entered into a partnership with a local school and launched its own Academy, to train future professionals in the sector and prevent the disappearance of the Abruzzo textile district and its unique craft heritage.

In addition, Pattern has promoted the creation of Academies for the development of digital skills to support craftsmanship within the companies integrated into the group. By taking a structured approach and offering diverse courses, the Academies ensure that employees are equipped with the necessary skills and knowledge, nurturing a culture of continuous improvement and excellence within the Group.

7.4. Regional growth synergies

Pattern Group's textile supply chain integration strategy also promotes sustainable development in terms of economic growth of the Italian districts and helps to maintain jobs.

Unlike the French textile supply chain model, which presents greater consolidation due to the presence of large industrial groups that can exploit economies of scale and superior bargaining power, the Italian textile supply chain is characterised by significant fragmentation, with difficulties in accessing credit, investing in research and development, negotiating with large counterparts and internationalisation.

In this scenario, the Pattern Group proposes itself as a catalyst to unite companies in the textile sector, overcoming the structural limitations of small and medium-sized Italian companies through the creation of a critical mass capable of competing on a global level. The aim is to create synergies that enable companies to overcome their limits and achieve an international competitive dimension. Specifically, Pattern Group has organised production in Italy according to district macro-aggregations, physically grouping knitwear and leather goods activities in specific areas to exploit synergies of skills and resources. An example of this strategy is the "Knitwear Valley", an area specialising in the design and production of luxury knitwear, located between Reggio Emilia, Modena and Bologna. This aggregation strategy is closely linked to sustainability, as it generates resource efficiency and creates favourable conditions for a positive impact on employment, helping to preserve and create skilled jobs in the Italian textile sector.

However, Pattern Group's CEO points out that, given the creation of district macro-aggregations, there are still many difficulties in Italy in terms of public funding for fast-growing SMEs and the lack of a strategic vision at the national level. Moreover, the fashion industry has to face important cultural and technological changes to fully embrace sustainability.

8. MANAGEMENT DISCUSSIONS AND IMPLICATIONS

In recent decades, the luxury sector has undergone a profound evolution, characterised by a growing interest in vertical integration. The Pattern case demonstrates how the growth strategy based on M&A, historically used to reduce costs (Mosca, 2018), is an effective solution to address the environmental, social and economic challenges that characterise the textile industry. In particular, Pattern Group offers an example of how vertical integration in the luxury industry can contribute to sustainable development by promoting the environmental, social and economic sustainability of the supply chain (Table 2). Considering environmental sustainability, the Pattern case analysis highlights that upstream integrations can improve the control over the supply chain, optimising operational efficiency and ensuring high-quality standards by promoting the adoption of stringent ESG standards throughout the supply chain to reduce emissions and waste (Arcuri & Giolli, 2022). Furthermore, the Pattern case highlights that a further contribution to sustainability in M&As along the textile supply chain lies in synergies dedicated to the development of sustainable technologies (Karaosman et al., 2020). Acquired companies collaborate by pooling expertise to implement sustainable-oriented innovations that improve products and processes through advanced technologies such as blockchain and 3D printing.

Another relevant implication of M&As in the Pattern case concerns social sustainability. Vertical integration preserves artisanal skills, safeguarding the cultural heritage and local traditions of companies in the supply chain that are in danger of disappearing and also promotes the development of skills among employees and facilitates the entry of young people into the artisanal world. This approach creates a bridge between tradition and innovation, which is crucial in the luxury market where quality and originality are essential and reflects an attempt to preserve Italian craftsmanship and traditional skills while integrating innovative technology (Fontana et al., 2024). This not only maintains a link with the sector's artisanal roots but also encourages the development of new know-how that can meet the needs of a rapidly evolving market.

Then, vertical integration also creates a critical mass of skills and resources that strengthens the sector's competitiveness at the global level. This not only positively impacts employment but also fosters economic growth in Italian manufacturing districts, enhancing their dynamism and resilience in the international market, and allowing them to better navigate the challenges posed by long and fragmented supply chains (Saccani et al., 2023).

Ultimately, this study highlights the importance of vertical integration for sustainable development, offering relevant insights for both companies and policymakers. On the one hand, it provides a road map for textile companies to contribute to sustainability through M&A. On the other hand, Pattern Group can be seen as a reference for industrial policies to support the textile supply chain and protect the Made in Italy label. In particular, this case can lead policymakers to understand the need for incentives to favour strengthening local supply chains and protecting manufacturing traditions in knowledge-intensive sectors such as luxury textiles.

9. LIMITATIONS AND FUTURE RESEARCH AGENDA

The study offers an in-depth analysis of the Pattern Group case, providing a detailed understanding of corporate dynamics related to M&A and sustainabil-

Table 2. M&A and sustainable development

Dimensions	Factors	Sustainable development pillar
1. Control over the supply chain	Shared processes for transparency and monitoring the sustainable performance of the supply chain	Environmental Pillar Social Pillar
2. Development of sustainability-oriented technologies	Co-creation of cutting-edge technologies for sustainable production (e.g. blockchain)	Environmental Pillar
	Co-development of new know-how	
3. Protection and enhancement of craft skills	Managing training programs to support generational changes and improvement of workers' skills	Social Pillar
4. Regional growth synergies	Creating synergies to improve the district's competitive dimension	Social Pillar
	Creating favourable conditions for a positive impact on economic growth in an area	Economic Pillar

ity. However, the focus on a single case study may limit its generalisability. It would be advisable to extend the research to other companies to confirm the validity of the results in a broader context.

Furthermore, while the study focuses on intra-supply chain takeovers and integration, it does not delve into the role of multistakeholder collaborations (with NGOs, local governments or research institutions) in enhancing sustainability impact. A more detailed analysis of such collaborations would provide a more comprehensive view of the link between M&A and sustainability.

Finally, the study mainly considers the Italian context, while the inclusion of acquisition and integration cases in other markets (e.g. Asian or American) would enrich the understanding of the global dynamics of sustainability in M&A transactions, considering different regulations and corporate cultures.

REFERENCES

Abbate, S., Centobelli, P., Cerchione, R., Nadeem, S. P., & Riccio, E. (2023). Sustainability trends and gaps in the textile, apparel and fashion industries. Environment Development and Sustainability, 26(2), 1–28.

Annapoorani, G. S. (2017). Social Sustainability in Textile Industry. In Textile Science and Clothing Technology (pp. 57–78). Singapore: Springer Singapore.

Arcuri, A., & Giolli, L. (2022). The relationship between upstream vertical integration and environmental sustainability in the luxury fashion industry. SN Business & Economics, 2(7), 73.

Athwal, N., Wells, V. K., Carrigan, M., & Henninger, C. E. (2019). Sustainable luxury marketing: A synthesis and research agenda. International Journal of Management Reviews, 21(4), 405–426.

Boschmeier, E., Ipsmiller, W., & Bartl, A. (2024). Market assessment to improve fibre recycling within the EU textile sector. Waste Management & Research, 42 (2), 135-145.

Brun, A., & Karaosman, H. (2020). Sustainability in the luxury fashion supply chain: Millennials' perception. Marché et organisations, n° 37(1), 99-121.

Bubicz, M. E., Dias Barbosa-Póvoa, A. P. F., & Carvalho, A. (2021). Social sustainability management in the apparel supply chains. Journal of Cleaner Production, 280(124214), 124214.

Chiu, W.-H., Shih, Y.-S., Chu, L.-S., & Chen, S.-L. (2022). Merger and acquisitions integration, implementation as innovative approach toward sustainable competitive advantage: A case analysis from Chinese sports brands. Frontiers in Psychology, 13, 869836.

Depeyre, C., Rigaud, E., & Seraidarian, F. (2018). Competition in the French luxury industry: five cases of brand-building by suppliers of luxury brands. Journal of Brand Management, 25(5), 463–473.

Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. Academy of Management Journal, 50(1), 25-32.

Eisenhardt, Kathleen M., Melissa E. Graebner, and Scott Sonenshein. 2016. "Grand Challenges and Inductive Methods: Rigor without Rigor Mortis." Academy of Management Journal 59 (4): 1113-23.

Elkington, J. (1994). Towards the sustainable corporation: Win-win-win business strategies for sustainable development. California Management Review, 36(2), 90–100.

Elkington, J. (2018). 25 years ago I coined the phrase "triple bottom line." here's why it's time to rethink it. Harvard Business Review.

ElleMcarthur (2024). Fashion and the circular economy - deep dive. Retrieved on September 22nd, 2024, from https://www.ellenmacarthurfoundation.org/fashion-and-the-circular-economy-deep-dive

Esemplare (2024). About us. https://www.esemplare.com/en/pages/about-us

European Environment Agency. (2023). Textiles and the environment: the role of design in Europe's circular economy. Retrieved September 22nd, 2024, from https://www.eea.europa.eu/publications/textiles-and-the-environment-the

Fontana, E., Atif, M., & Sarwar, H. (2024). Pressures for sub-supplier sustainability compliance: The importance of target markets in textile and garment supply chains. Business Strategy and the Environment, 33(5), 3794–3810.

George, A. L., & Bennett, A. (2005). Case studies and theory development in the social sciences. mit Press.

Gualdi (2020).L'industria della moda ed il difficile raggiungimento degli Obiettivi di sviluppo sostenibile. Retrieved October 14, 2024: https://asvis.it/approfondimenti/22-5207/lindustria-della-moda-ed-il-difficile-raggiungimento-degli-obiettivi-di-sviluppo-sostenibile

Hart, S. L. (1995). A natural-resource-based view of the firm. Academy of management review, 20(4), 986-1014.

Hiller Connell, K. Y., & Kozar, J. M. (2017). Introduction to special issue on sustainability and the triple bottom line within the global clothing and textiles industry. Fashion and Textiles, 4(1).

Holmqvist, J., & Kowalkowski, C. (2023). Traceability in luxury: Harnessing B2B relationships to enhance ethical practices in the luxury industry. Industrial Marketing Management, 111, 257-267.

Huq, F. A., Chowdhury, I. N., & Klassen, R. D. (2016). Social management capabilities of multinational buying firms and their emerging market suppliers: An exploratory study of the clothing industry. Journal of Operations Management, 46(1), 19–37.

Jaegler, A., & Goessling, T. (2020). Sustainability concerns in luxury supply chains: European brand strategies and French consumer expectations. Business Strategy and the Environment, 29(6), 2715–2733. doi:10.1002/bse.2531

Jakhar, S. K. (2015). Performance evaluation and a flow allocation decision model for a sustainable supply chain of an apparel industry. Journal of Cleaner Production, 87, 391–413. doi:10.1016/j.jclepro.2014.09.089

Karaosman, H., Brun, A., & Morales-Alonso, G. (2017). Vogue or vague: Sustainability performance appraisal in luxury fashion supply chains. In Sustainable Management of Luxury (pp. 301-330). Springer Singapore.

Karaosman, H., Perry, P., Brun, A., & Morales-Alonso, G. (2020). Behind the runway: Extending sustainability in luxury fashion supply chains. Journal of Business Research, 117, 652-663.

Kunz, J., May, S., & Schmidt, H. J. (2020). Sustainable luxury: current status and perspectives for future research. BuR - Business Research, 13(2), 541–601.

López, B., Rangel-Pérez, C., & Fernández, M. (2023). Sustainable strategies in the luxury business to increase efficiency in reducing carbon footprint. Journal of Business Research, 157(113607), 113607.

McKinsey. (2024a). The state of fashion. Retrieved August 10, 2024, from https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion#

Milano Finanza. (2024). Da MinervaHub a Florence, nella filiera scatta la febbre da M&A. Retrieved September 30, 2024, from https://www.milanofinanza.it/fashion/da-minervahub-a-florence-nella-filiera-scatta-la-febbre-da-m-a-202304111816122426

McKinsey. (2024b). CPO survey 2024 of 34 global chief procurement officers, October 2023. Retrieved July 3, 2024, from https://www.mckinsey.com/capabilities/operations/our-insights/a-new-era-for-procurement-value-creation-across-the-supply-chain

Mosca (2018). Strategies in luxury markets. Marketing, digitalisation, sustainability. Egea. Milano.

Mosca, F., & Chiaudano, V. (2024). Sustainability and Luxury Management. Taylor & Francis.

Norman, W., & MacDonald, C. (2004). Getting to the bottom of "triple bottom line". Business Ethics Quarterly, 14(2), 243-262. https://www.jstor.org/stable/3857909

Saccani, N., Bressanelli, G., & Visintin, F. (2023). Circular supply chain orchestration to overcome Circular Economy challenges: An empirical investigation in the textile and fashion industries. Sustainable Production and Consumption, 35, 469–482.

Siggelkow, Nicolaj. 2007. "Persuasion with Case Studies." Academy of Management Journal 50 (1): 20-24. https://www.jstor.org/stable/20159838

Sole 24 Ore. (2024). Textiles: 160,000 tonnes of waste in Italy, growing trend. Retrieved August 10, 2024, from https://www.ilsole24ore.com/art/tessile-italia-160mila-tonnellate-rifiuti-trend-crescita-AFZ0wgWD

Som, A., and C. Blanckaert. 2015. The road to luxury: The evolution, markets and strategies of luxury brand management. Hoboken, NJ: Wiley.

Stake, R. (1995), The Art of Case Study, Sage, London

Starik, M., & Rands, G. P. (1995). Weaving an integrated web: Multilevel and multisystem perspectives of ecologically sustainable organizations. Academy of management Review, 20(4), 908-935.

Textile Exchange (2023). Material market report. Retrieved September 22, 2024, from https://textileexchange.org/knowledge-center/documents/materials-market-report-2023/

Thakker, A. M., & Sun, D. (2023). Sustainable Development Goals for textiles and fashion. Environmental Science and Pollution Research International, 30(46), 101989-102009.

Velenturf, A. P. M., & Purnell, P. (2021). Principles for a sustainable circular economy. Sustainable Production and Consumption, 27, 1437–1457.

Weisenfeld, U., & Hauerwaas, A. (2018). Adopters build bridges: Changing the institutional logic for more sustainable cities. From action to workset to practice. Research Policy, 47, 911–923.

Wilhelm, M. M., Blome, C., Bhakoo, V., & Paulraj, A. (2016). Sustainability in multi-tier supply chains: Understanding the double agency role of the first-tier supplier. Journal of Operations Management, 41(1).

Yin, R. K. (2003). Designing case studies. Qualitative research methods, 5(14), 359-386.

Yin, Robert K. 2014. Case Study Research: Design and Methods. 5th ed. Thousand Oaks, CA: SAGE Publications.

JEP

Firenze University Press
https://oaj.fupress.net/index.php/jep

Case Studies

Demographic aging: challenges and opportunities for ecological transition

Guido Lazzarini[1], Maria Giuseppina Lucia[2,*]

[1] *Infermieristica, University of Turin, Italy*
[2] *Department of Management, University of Turin, Italy*
E-mail: guido.lazzarini@unito.it; mariagiuseppina.lucia@unito.it
*Corresponding author.

Abstract. The literature on the ecological transition often overlooks the relationship with demographic aging. Thus, it is crucial to address this issue because achieving sustainability requires not only environmental regeneration but also the inclusion of the elderly, who currently represent a significant segment of the global population. In the light of these changes, sustainability goals must consider challenges posed by an aging population within ecological transition policies. This paper aims to examine how social policies and environmental programs can be integrated to meet the needs of an aging demographic while fostering sustainability. To tackle these themes, we will analyse the specific challenges related to demographic aging in the context of the ecological transition, followed by the discussion on the opportunities that the elderly can provide.

Keywords: ecological transition, demographic aging, sustainability, social policies, elderly inclusion.

OPEN ACCESS

Citation: Lazzarini, G., & Lucia, M.G. (2024) Demographic aging: challenges and opportunities for ecological transition. *Journal of Emerging Perspectives* 1: 77-83. doi: 10.36253/jep-16902

Received: September 12, 2024

Revised: October 11, 2024

Published: December 16, 2024

Data Availability Statement: All relevant data are within the paper and its Supporting Information files.

Competing Interests: The Author(s) declare(s) no conflict of interest.

ORCID
MGL: 0000-0002-9582-6010

1. INTRODUCTION

The extensive body of literature on the ecological transition process mainly focuses on the issues surrounding changes in production and consumption systems to attain climate neutrality, somewhat less emphasis is placed on its connection with demographic aging. It is crucial to address this topic as attaining sustainability requires not just environmental regeneration but also the integration of principles of social justice and inclusivity of all people (Wang & Lo, 2021), especially for the elderly who are increasingly becoming a larger share of the global population. Present demographic trends outline a significant shift in population structure characterized by an aging demographic, as the base of the age pyramid narrows, due to the declining birth rates. According to estimates from the United Nations Department of Economic and Social Affairs (UNDESA), individuals aged 65 and over will constitute 17% of the total population by 2050. Furthermore, life expectancy is projected to increase, with estimates at 75 years for men and 79 years for women, attributed to advancements in medicine, healthier lifestyles, and better education. Currently, approximately 10% of the global

population is already over 65, with countries like Japan (around 30%) and Italy (23%) leading in these percentage, followed by Portugal, Greece, and Finland. Regions like Sub-Saharan Africa and Oceania (excluding Australia and New Zealand) are still in the early stages of this demographic change, while nations in Central and South Asia, Western Asia, Northern Africa, Latin America, and the Caribbean are encountering intermediate phases (UNDESA, 2023).

These demographic trends pose a major challenge for economic growth, tax frameworks, retirement and welfare systems with rising healthcare costs, potentially undermining investments in ecological transition (Peterson, 2017).

The situation in the European Union exemplifies the difficulty of balancing investments in ecological transition with social policies. Recent forecasts estimate that the costs associated with aging will rise by 1.4% (pps) between 2019 and 2030 and by 2.5% points (pps) by 2050. At the same time implementing the EU Green Deal is projected to cost approximately 520 billion euros per year from 2021 to 2030 (European Environment Agency, 2023). Thus, policymakers face the critical challenge of finding an appropriate balance between funding social policies and supporting ecological transition efforts.

To achieve these goals, it is essential to reframe our perspectives of the elderly population, not merely viewing these as a burden but rather as valuable resource. Therefore, in this paper we aim to explore how environmental programs and social policies can be integrated to address the requirements of an aging population while fostering sustainability.

The discussion begins by considering diverse viewpoints on aging and the different needs of elderly individuals. For instance, while some may require care and medical treatments, others may focus on disease prevention, and many wish to remain in the workforce, volunteer for social causes, or engaged in environmental initiatives. This approach allows the elderly to live longer and lead fulfilling lives, as asserted by the advocates of the longevity revolution positioning them as a vital resource for their communities (Scott, 2024).

Additionally, we will explore how policymakers can navigate these complexities and harness the potential of the elderly to contribute to a sustainable and inclusive society and economic system. By recognizing the diverse capabilities and needs of the aging population, appropriate strategies that enhance not only the well-being of older individuals but also the overall sustainability goals of the communities, can be developed.

Taking these considerations into account, we will now examine the specific challenges that population aging presents for the ecological transition, highlighting how these issues can be managed with integrated policies.

1. THE CHALLENGES OF DEMOGRAPHIC AGING IN THE CONTEXT OF THE ECOLOGICAL TRANSITION

As societies around the world strive to achieve ecological sustainability, it is crucial to consider the role that population aging plays. Developing policies that address both ecological concerns and the needs of the elderly is vital to ensuring a comprehensive and inclusive approach to sustainable development. Population aging presents a major challenge in the context of the ecological transition, necessitating thoughtful reflection on the links between these two trends. Before delving into how to promote positive relationships between them, it is crucial to understand the specific challenges that come with old age and their implications for the shift towards a more sustainable economic and social system.

The primary challenge that population aging poses to ecological transition initiatives is the increasing demand for services and infrastructure tailored for a vulnerable demographic. The growing elderly population requires access to healthcare and supportive services including hospitals, assisted living facilities and home care. Rising healthcare expenditures may potentially divert funds away from ecological transition efforts. However, proactively investing in healthcare and in public health prevention programs can help reduce costs while effectively meeting the needs of vulnerable individuals.

Another significant challenge posed by demographic aging to the ecological transition is the pension system (Lazzarini et al., 2015). In countries with well-established welfare system, there is an increasing number of retirees relying on a shrinking working-age population. For instance, Greece (42%) and Portugal (37%) have the highest percentages of retirees dependent on the active workforce, followed by Italy (35%), Germany (34%) and France (32%). This situation undermines the EU principle of solidarity established in the Nice Charter of 2000 and elevated to the status of "primary right" after the Lisbon Treaty of 2007 (De Caria, 2021; EU, 2024). The principle of solidarity stipulates that each generation should contribute to the community's welfare according to its capabilities and it will benefit from this when it reaches retirement age. The ongoing trend of population aging along with the declining ratio of retirees to the workers present significant challenges. Dealing with these issues requires equitable social organization strategies and reforms aligned with sustainability principles. This include imple-

menting flexible pension systems and the reinforcement of private pension funds (Ludovico, 2019).

Another issue linked to population aging that is pertinent to the ecological transition is the physical and social environment that supports the well-being and independence of older individuals (Wahl et al. 2012). This concept, highlighted by the World Health Organization (WHO) builds on Lawton and Nahemow's ecological model from the early 1970s, which emphasised the need to adapt urban spaces to match with the lifestyle of the elderly. Unfortunately, these considerations are often seen as less critical to economic growth, knowledge, and technological innovation (De Donder et al., 2013). While cities offer considerable advantages like improved access to healthcare, cultural and recreational services, they also can foster insecurity and exclusion among the most vulnerable people. The WHO has outlined essential features that age-friendly cities should include, such as smooth sidewalk, safe pedestrian crossings, green spaces with amenities, public restrooms, buildings equipped with escalators and elevators. A particular area of concern is ensuring the accessibility of public transportation to facilitate safe and independent mobility for elderly individuals (WHO, 2008; van Hoof et al., 2021; Dikken et al., 2023; Marston & van Hoof, 2023). The WHO guidelines have led to the establishment of the WHO Global Network of Age-Friendly Cities in 2010, which consists of 250 cities working together to share best practices and create communities that meet the needs of an aging population, promoting attentive solidarity, cooperation, and intergenerational understanding (WHO, 2010).

The concept of age-friendly environments extends beyond urban areas; it also encompasses the various settings where older adults spend their daily lives, highlighting the need for innovative and technologically advanced housing solutions. According to the contemporary urban planning principles (Gargiulo, 2009), residences should function as "smart homes," that cater to the needs of their occupants. These homes ought to be equipped with sensors and monitoring systems that can identify several issues, and they should be linked with medical assistance centres to ensure a safe and independent living for the elderly (Bosia et al., 2017; Wang J. et al, 2021), at the same time easing the burden of their family members (Lazzarini, 2022). Moreover, this approach must align with the urgent adaptations aimed at reducing emissions responsible for climate change. Implementing high-efficiency heating and cooling systems, LED lighting, low-energy appliances, and other similar technologies is essential while maintaining comfort and safety for residents.

Transforming cities and buildings to incorporate these features presents a significant challenge for public policies. International studies indicate that a considerable proportion of elderly population is concentrated in urban areas: for instance, in the European Union, 21.4% of those aged 65 and over live in urban environments (Eurostat, 2020). The density of the elderly in urban regions and the progressively aging population presents an obstacle for the ecological transition that can only be overcoming by recognizing the elderly as an asset to the entire community.

Although these challenges call for substantial interventions, it is essential to view the elderly not just as a vulnerable demographic but also as a valuable resource for the society in the ecological transition.

2. ELDERLY POPULATIONS AS A RESOURCE IN THE ECOLOGICAL TRANSITION

When addressing the ongoing demographic shift from the lens of the ecological transition, it is important to engage with the recent debate concerning the issue of population aging. The increased longevity and well-being of many individuals over sixty have ushered in a new perspective on aging, moving away from the *disengagement theory* developed in the 1960s (Cumming & Henry, 1961), which is no longer in the line with the demographic realities of the subsequent decades, and towards the *activity theory*.

While the disengagement theory assert that the aging leads to an inevitable withdrawal from society and social relationships, the activity theory highlights the importance of finding alternative pursuits after exiting the workforce. This is essential for combating loneliness and ensuring a meaningful transition into older age, which can lead to a fulfilling experience for older individuals and have beneficial effect on society (Memini, 2021). Various concepts such as successful aging, active aging, productive aging, have been emerged as counterpoints to disengagement (Butler, 2009; Bülow & Söderquist, 2014). Specifically, active aging has been proposed as a framework developing policies to tackle the challenges associated with demographic change. Both paradigms, along with the World Health Organization's specific definition of healthy aging, emphasize the necessity of a comprehensive approach that enables older adults to remain a valuable resource for their families, communities, and the economy (Foster & Walker, 2021).

The concepts of active aging and productive aging are particularly significant in this context, even if these ideas have come under considerable criticisms. According to some authors (Dommaraju & Wong, 2021), the push to raise the retirement age and reintegrate retirees into the

workforce is primarily aimed at addressing issues related to solve public welfare spending and prioritizing social interests over those of older adults themselves. Furthermore, unpaid activities such as volunteering, caregiving, and support for social organizations are often viewed negatively because they do not take leisure time into account within the framework of active aging (Bülow & Söderquist, 2014), despite their clear benefits for physical and mental health (Ramia & Voicu, 2022). In the last few years, the concept of active ageing has expanded to include sports, travel and cultural events. These pursuits, categorized under the term silver economy that is expected to exceed $ 27 trillions by 2025 (Rothschild &Co, 2023; Lucia, et al., 2022; Lucia & Epasto, in press).

In fact, many older individuals possesse substantial financial assets and real estate wealth, which grant them purchasing power. This together with the propensity to decumulate and to focus on quality and longevity of products in their purchasing in contrast to younger generations, who are often more inclined to seek affordability in goods and services (Hervé & Mullet, 2009; Singh, 2011), can help steer companies towards a sustainable production system (Fengler, 2021).

When analysing the interconnections between population aging and the ecological transition, although we do not share all the criticism previously mentioned, they are certainly useful in the perspective of our analysis for understanding the new notion of the elderly population. But we belief that the well-being of the elder adults and society are deeply intertwined and we hold that promoting active aging can serve as a valuable asset in supporting the ecological transition.

To attain this goal, first of all it is vital to raise public awareness regarding the importance of active aging by leveraging the skills that older individuals have acquired and adapting them to new business needs through professional training programs. Moreover tax incentives for companies that hire older workers are needed, as well as financial support for those starting new ventures and promoting part-time and telecommuting options. The presence of older workers in companies can be useful for fostering investments in human capital development and technological innovation to maintain market competitiveness (Zeng, 2024). This is coupled with other benefits that the elderly can bring to the ecological transition. If mentoring and tutoring programs are established, the elderly can further contribute to the ecological transition by sharing their professional experience with younger generations (Amorós et al., 2024; Fasbender et al., 2021).

Furthermore, the elderly can significantly influence environmental policies and investments in the ecological transition efforts due to their higher voter turnout than younger age groups. They are also acutely aware of their vulnerability to environmental disasters (Waidley & Petrich, 2001; Albalate et al., 2023).

However, the literature on this subject presents conflicting viewpoints. Some scholars argue that seniors are less likely to adopt sustainable behaviours and believe that allocating resources to fight climate change could lead to reductions in public spending on healthcare and other vital services. Many elderly values immediate well-being, potentially leading them to embrace sustainable practices in a "selfish" manner given to their shorter life expectancy relative to younger age generations (Albalate et al., 2023). Conversely, other scholars oppose this perspective by applying the *theory of generativity* in this context (Tonn et al., 2001; Milfont & Sibley, 2013; Afridi et al., 2021; Di Fabio & Svicher, 2023). Developed by psychologist Erik Erikson in the late 1950s, the concept of generativity suggests that old age is marked by a desire to leave a positive legacy for the benefit of future generations. When applied to environmental behaviours, generativity emphasizes the altruistic tendencies of the elderly, which are often also shaped by their traditional values, namely a disdain for waste and a propensity to save- values that can be passed down to younger generations (Frumkin et al., 2021; Wang Y. et al., 2021)

Engaging seniors' citizens in environmental initiative is vital as they can make a significant impact trough their availability of time to spend in civic engagement and volunteering (Chen et al, 2022). Their life experiences and skills can greatly benefit environmental causes. These often-overlooked abilities deserve more recognition for the positive effect that involving seniors in environmental organizations can have on communities (Pillemer et al., 2021). Seniors can engage in projects that focuses on environmental sustainability, like monitoring urban green spaces, participating in urban gardening and creating neighbourhood gardens. These activities not only enable seniors to become active members in their community, but also allow them to leave a positive legacy for future generations (Smyer & Pachana, 2019). Furthermore, seniors play a fundamental role in enhancing the resilience of their communities, not just through volunteering but also by preserving historical knowledge and traditional practices. This wealth of knowledge can be invaluable in mitigating environmental risks, adapting to climate change, and preparing for more increasingly extreme events, by leveraging traditional skills to support ecological transition actions (Pillemer et al., 2021).

Incorporating the skills and experiences of the elderly into the initiatives for the ecological transition not only benefit the environment but also foster the

sense of community and intergenerational responsibility that can strengthen social cohesion.

3. CONCLUSIONS

Population aging and increased longevity reflect improvements in living standards, but they also significantly impact economic and social dynamics. This demographic shift places considerable strain on healthcare and pension systems, which are now facing greater demand for medical care and long-term support, along with the increasingly investment needed for sustainable development.

Additionally, these demographic changes bring about social issues like elderly isolation and age-based discrimination. Addressing this complex challenge requires a comprehensive approach that meets the needs of both the elderly and future generations. Therefore, public policies should commit to considering aging as a resource for creating an inclusive and sustainable society.

To tackle this multifaceted issue, policymakers must recognize aging as a resource in fostering inclusivity and sustainability. Key areas that need focus include reforming pension and healthcare system. Given the longer life expectancy, the retirement ages could be gradually raised, allowing for flexibility where individuals can choose to work longer in exchange for a higher pension, or opt for early retirement with a reduced monthly payment. Moreover, policies should encourage companies to hire or retain older workers, offer part-time positions, and enhance pension options. This approach will help ensure equal opportunities for the coming generations.

The healthcare system can also benefit from the adoption of advanced technologies including as assistive devices, smart homes, and digital health services. This innovation can enhance the safety and the independence of elderly individuals while simultaneously reducing the demand for public resources. For instance, the integration of advanced technologies into the healthcare systems could complement the broader goals of sustainability and social inclusion outlined in various programs by the EU. In fact, although there are no initiatives in the EU specifically targeting the interrelationship between population aging and the ecological transition, this issue is incorporated in various actions aimed at achieving economic, social, and environmental sustainability. Member states can leverage the European Social Fund and the Cohesion Fund for health and social initiatives aimed at the elderly. Furthermore, the ambitious EU Green Deal Plan, which aims for net-zero emissions by 2050, includes measures for economic and social inclusion. The plan promotes the retraining of older workers, and advocates for urban adaptation to meet the needs of an aging population by improving building accessibility and energy efficiency.

In a similar vein, the Green Paper on Ageing, has started a constructive approach that encourages policies fostering active and healthy aging and indicate initiatives that involve the elderly in green economic activities, such as environmental volunteering or jobs in sustainability-related sectors. Recognizing the significance of population aging, the Circular Economy Action Plan emphasizes the promotion of products and services that are more accessible and suitable for the elder individuals while encouraging resource efficiency.

Additional, The Smart Cities Digitalization Plan promotes the use of digital technologies to improve urban leaving condition, making cities more sustainable and inclusive for residents of all ages, enhancing public services and reduce environmental impact. Furthermore, tools that can address the challenges of an aging population in conjunction with the ecological transition are available in the European Structural and Investment Funds (ESIF). These funds can be used to improve the energy efficiency of residential buildings, thereby enhancing living conditions for the elderly.

By integrating these features found in the aforementioned plans, the EU could develop a comprehensive approach to the issues of population aging and the ecological transition. In this way, although population aging presents unavoidable challenges, it can be viewed as an opportunity to create a more equitable, inclusive, and sustainable society through effective policies and innovative strategies and approaches. Therefore, it can be argued that a holistic approach to demographic changes and ecological transition could meet the needs of older individuals while preparing for a future where people of all ages can thrive.

REFERENCES

Afridi, S. A., Khan, W., Haider, M., Shahjehan, A., & Afsar, B. (2021). Generativity and green purchasing behavior: Moderating role of man-nature orientation and perceived behavioral control. SAGE Open, 11(4), 215824402110544.

Albalate, D., Bel, G., & Teixidó, J. J. (2023). The influence of population aging on global climate policy. *Population and Environment*, 45(3), 1-34.

Amorós, J., Leporati, M., Torres-Martin, A. J., & Roses, S. (2024). Opportunity entrepreneurship after 65: Relevant factors in OECD countries. *Internation-*

al Entrepreneurship and Management Journal, 20, 1215-1244.

Bosia, D., Zhang, Y., Thiebat, F., & Savio, L. (2017). Age-friendly cities: public and private space. *TECHNE-Journal of Technology for Architecture and Environment*, 319-327.

Bülow, M., & Söderquist, T. (2014). Successful ageing: A historical overview and critical analysis of a successful concept. *Journal of Ageing Studies*, 31, 139-149.

Butler, R. N. (2009). The longevity revolution: Benefits and challenges of living a long life. Public Affairs.

Chen, P. W., Chen, L. K., Huang, H. K., & Loh, C. H. (2022). Productive aging by environmental volunteerism: A systematic review. *Archives of Gerontology and Geriatrics*, 98, 104563.

Cumming, E., & Henry, W. E. (1961). Growing old: The process of disengagement. Basic Books.

De Caria, R. (2021). Il principio della solidarietà tra generazioni tra mutualizzazione dei debiti e divieto di finanziamento monetario. *Rivista Associazione Italiana dei Costituzionalisti*, 3, 120-140.

De Donder, L., Buffel, T., De Witte, N., Dury, S., & Vert, D. (2013). Perceptual quality of neighbourhood design and feelings of unsafety. *Ageing & Society*, 33, 917–937.

Di Fabio, A., & Svicher, A. (2023). The eco-generativity scale (EGS): A new resource to protect the environment and promote health. *International Journal of Environmental Research and Public Health*, 20(15), 6474.

Dikken, J., Kazak, J. K., Soebarto, V., & van Hoof, J. (2023). Views of older people on environmental sustainability: The development of SustainABLE-16 questionnaire. *Building and Environment*, 242, 1-11.

Dommaraju, P., & Wong, S. (2021). The concept of productive aging. In Assessments, treatments and modeling in aging and neurological disease (pp. 3-11). Academic Press.

European Environment Agency (2023). Investments in the sustainability transition: leveraging green industrial policy against emerging constraints. Retrieved October 15, 2024, from https://www.eea.europa.eu/publications/investments-into-the-sustainability-transition.

European Union. (2024). Shape the EU as we know it. https://www.consilium.europa.eu/ro/shaping-the-eu-as-we-know-it-the-lisbon-treaty/

Eurostat. (2020). Ageing Europe - Looking at the lives of older people in the EU. https://ec.europa.eu/eurostat

Fasbender, U., Gerpott, F. H., & Unger, D. (2021). Give or take? Knowledge exchange between older and young employees as a function of generativity and development striving. *Journal of Knowledge Management*, 25(10), 2420-2443.

Fengler, W. (2021). The silver economy is coming of age: A look at the growing spending power of seniors. Retrieved October 15, 2024, from https://www.brookings.edu/articles/the-silver-economy-is-coming-of-age-a-look-at-the-growing-spending-power-of-seniors/

Foster, L., & Walker, A. (2021). Active ageing across the life course: Towards a comprehensive approach to prevention. *BioMed Research International*, 2021, 6650414.

Frumkin, H., Fried, L., & Moody, R. (2012). Aging, climate change, and legacy thinking. American *Journal of Public Health*, 102(8), 1434–1438.

Gargiulo, C. (2021). Saggio introduttivo. In G. Carpentieri, F. Gaglione, C. Guida, F. Sgambati, & F. Zucaro (Eds.), Smart city, urban planning for a sustainable future. City and governance. Univ. Federico II, Napoli.

Hervé, C., & Mullet, E. (2009). Age and factors influencing consumer behaviour. *International Journal of Consumer Studies*, 33(3), 235-357.

Lazzarini, G., Ghidella, R., & Cugno, A. (2015). Un nuovo patto sociale. Ed. Vaticana.

Lazzarini, G. (Ed.). (2022). Domiciliarità e/o residenzialità per il benessere degli anziani non autosufficienti. Marcianum Press.

Lucia, M. G., Epasto, S., & Bollani, L. (2023). L'attrattività territoriale per la popolazione anziana. In S. Valdemarin & M. G. Lucia (Eds.), Geografia dell'attrattività territoriale. Comprendere e gestire lo sviluppo locale (pp. 81-92). Pearson.

Lucia, M. G., & Epasto, S. (in press). Invecchiamento demografico: Da fattore frenante a stimolo di sviluppo dell'economia. *Bollettino della Società Geografica Italiana*.

Ludovico, G. (2019). La solidarietà intergenerazionale nel sistema pensionistico: Fascino e limiti di un principio necessario. *Diritto delle Relazioni Industriali*, 28(1), 28-57.

Marston, H. R., & van Hoof, J. (2019). Who doesn't think about technology when designing urban environments for older people? A case study approach to a proposed extension of the WHO's age-friendly cities model. *International Journal of Environmental Research and Public Health*, 16(19), 35-25.

Memini, F. (2021). La teoria del disimpegno: la vita sociale. Retrieved October 13, 2024, from Aging Project Uniupo website: https://www.agingproject.uniupo.it/per-i-professionisti/teorie-invecchiamento/la-teoria-del-disimpegno/

Milfont, T. L., & Sibley, C. G. (2011). Exploring the concept of environmental generativity. International *Journal of Hispanic Psychology*, 4(1), 21-30.

Peterson, E. W. F. (2017). The role of population in economic growth. SAGE Open, 7(4), 215824401773609.

Pillemer, K., Cope, M. T., & Nolte, J. (2021). Older people and action on climate change: A powerful but underutilized resource. *HelpAge International*, 1-13.

Ramia, I., & Voicu, M. (2022). Life satisfaction and happiness among older Europeans: The role of active ageing. *Social Indicators Research,* 160(2), 667-687.

Rothschild & Co. (2023). Thematic insights: The silver economy. Retrieved October 13, 2024, from https://www.rothschildandco.com/en/newsroom/insights/2023/01/thematic-insights-the-silver-economy/

Singh, S.D. (2011), A study of consumer behaviour of older consumers with reference to green products. *Journal of International of Management & Information Systems*,15(4),101-104.

Scott, A. (2024). Longevity revolution. Retrieved October 13,2024, from https://www.sciencedirect.com/journal/new-scientist/vol/262/issue/3485

Smyer, M. A., & Pachana, N. A. (2019). Older adults and environmental voluntarism. In Encyclopedia of Gerontology and Population Aging (pp. 1–6). Cham: Springer International Publishing.

Tonn, B.E., Waidle, G., & Petrich C (2001). The ageing US population and environmental policy. *Journal of Environmental Planning and Management*, 44(6), 851-876.

UNDESA (2023). Leaving no one behind in an ageing world. Retrived October 13, 2024 from https://www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/undesa_pd_2023_wsr-fullreport.pdf

van Hoof, J., Marston, H. R., Kazak, J. K., & Buffel, T. (2021). Ten questions concerning age-friendly cities and communities and the built environment. *Building and environment*, 199, 107922.

Wahl,H.W., Iwarson, S., & Oswald, F. (2012). Ageing well and the environment: toward an integrative model and research agenda for the future. https://pubmed.ncbi.nlm.nih.gov/22419248/

Waidley, B.E. & Petrich, C. (2001). The ageing US population and environmental policy. *Journal of Environmental Planning and Management,* 44(6), 851-876.

Wang, J., Cao, S., Yu, & C. W. (2021). Development trend and challenges of sustainable urban design in the digital age. *Indoor Built Environ*. 30(1), 3–6.

Wang, X., & Lo, K. (2021). Just transition: A conceptual review. *Energy Research & Social Science*, 82(102291), 102291.

Wang, Y., Hao, F., & Liu, Y. (2021). Pro-environmental behavior in an aging world: Evidence from 31 countries. International *Journal of Environmental Research and Public Health*, 18(4).

WHO (2008). Global age friendly cities: a guide. Retrieved October 13, 2024, from https://www.who.int/publications/i/item/9789241547307.

WHO (2010). About Global Network for Age-Friendly Cities and Comminities. https://extranet.who.int/agefriendlyworld/who-network/

Zeng, J. (2024). The impact of population aging on business innovation: a comprehensive overview. *Frontiers in Humanities and Social Sciences*, 4(6), 363–367.

JEP

Firenze University Press
https://oaj.fupress.net/index.php/jep

Case Studies

Ecological transition and territorial regeneration: repopulation strategies in the "Crater Area"

Simona Epasto[1,*], Maria Giuseppina Lucia[2]

[1] *Dipartimento di Scienze Politiche, della Comunicazione e delle Relazioni Internazionali, Università di Macerata, Italy*
[2] *Department of Management, University of Torino, Italy*
E-mail: simona.epasto@unimc.it; mariagiuseppina.lucia@unito.it
*Correspondig author.

Abstract. The paper is based on the belief that the ecological transition processes must pay particular attention to the most vulnerable areas, especially those affected by disastrous events. The case of the "Crater Area" aims to highlight how appropriate measures can regenerate a region prone to disasters. The earthquakes of 2009 and 2016 that severely struck and damaged the regions of central Italy, has prompted the government to regenerate the area not only restoring damaged building but also by providing tax incentives and subsidized mortgages to attract resident, including foreigners. Since many retirees from abroad have joined the initiative, it will be attempted, though the use of algorithms, to outline future scenarios in order to be able to meet the need of these new population and business for long-term economic and social development.

Keywords: Crater Area, ecological transition, repopulation, tax incentives, sustainable development.

OPEN ACCESS

Citation: Epasto, S., & Lucia, M.G. (2024) Ecological transition and territorial regeneration: repopulation strategies in the "Crater Area". *Journal of Emerging Perspectives* 1: 85-89. doi: 10.36253/jep-16904

Received: September 12, 2024

Revised: October 13, 2024

Published: December 16, 2024

Data Availability Statement: All relevant data are within the paper and its Supporting Information files.

Competing Interests: The Author(s) declare(s) no conflict of interest.

ORCID
SE: 0000-0002-6420-0867
MGL: 0000-0002-9582-6010

1. INTRODUCTION

The ecological transition is a critical process for mitigating the effects of environmental disasters and building resilience in natural systems and communities. An effective ecological transition involves restructuring economic and social models to promote sustainable practices, which can reduce the human impact on the environment and mitigate vulnerability to extreme events (Scordato & Gulbrandsen, 2024).

Among the extreme events linked to human activities are earthquakes. Although they are caused by the geological movement of tectonic plates, their damages are amplified by human choices and practices, such as intense urbanization, the lack or inadequate implementation of seismic building codes, and the use of substandard materials and the indiscriminate deforestation. The destruction of vegetation and landscape alterations can change geological conditions and either trigger or intensify the devastating impacts

of seismic events on buildings, infrastructure, and, most importantly, on human lives (Tierney, 2014).

Italy, located at the convergence point of the African and Eurasian tectonic plates, is one of the most seismically active regions in Europe (INGV, 2024) and has historically been affected by earthquakes with significant social and economic consequences for its population (Barbini, 2021; Boero, 2021). In recent decades, the country has experienced one of the most tragic events, the earthquake of 2009 that struck L'Aquila and its surrounding areas, causing widespread destruction and the loss of over 300 lives. In 2016, another catastrophic earthquake hit central Italy, destroying buildings, infrastructure and claiming human lives, particularly in the towns of Accumoli and Amatrice in the province of Rieti, within what is now known as the "Crater Area."

The term Crater Area, previously used to describe a specific geological and volcanic feature of the region, is now associated with the recent destructive earthquakes, which drew international attention to the seismic vulnerability of this area. Today, the Crater Area serves as an example of how equitable and sustainable development can be pursued in fragile territories through revitalization, repopulation, and the revival of the traditional economic activities.

This article will focus on the strategies implemented to repopulate the area, with the goal of attracting new residents, including foreigners. The belief underlying these actions is that only by rebuilding a cohesive community can sustainable economic recovery be ensured in the post-earthquake territory, in accordance with the principles of ecological transition.

The Crater Area, in its newly defined meaning, refers to the municipalities affected by the seismic events of 2009, with the epicentre near L'Aquila. Most of these municipalities (Acciano, Barete, Capestrano, Caporciano, Carapelle Calvisio, Castel di Ieri, Castelvecchio Calvisio, Castelvecchio Subequo, Cocullo, Collarmele, Fagnano Alto, Fossa, Gagliano Aterno, Goriano Sicoli, Lucoli, Navelli, Ocre, Ofena, Ovindoli, Pizzoli, Pog-

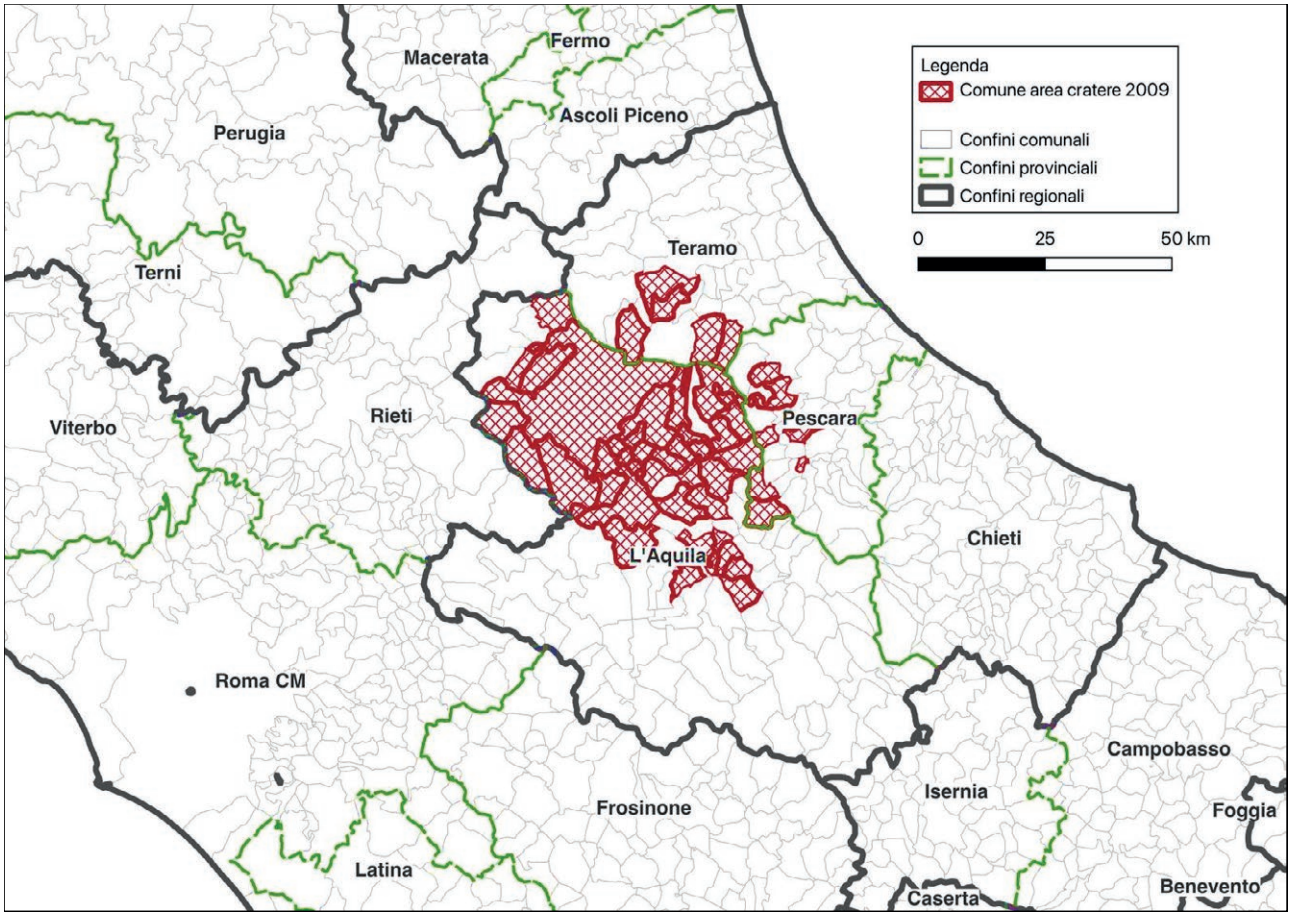

Figure 1. The Crater Area of 2009. Source: Authors'personal elaboration.

gio Picenze, Prata d'Ansidonia, Rocca di Cambio, Rocca di Mezzo, San Demetrio né Vestini, San Pio delle Camere, Sant'Eusanio Forconese, Santo Stefano di Sessanio, Scoppito, Tione degli Abruzzi, Tornimparte, Villa Sant'Angelo, and Villa Santa Lucia degli Abruzzi) belong to the Province of L'Aquila, including the provincial capital itself, shaping a territorial context endowed with heritage and community, deeply connected to their history, culture, and traditions.

In the province of Teramo, the Crater Area includes the municipalities of Arsita, Castelli, Montorio al Vomano, Pietracamela, and Tossicia. The municipalities of Brittoli, Bussi sul Tirino, Civitella Casanova, Cugnoli, Montebello di Bertona, Popoli, and Torre de' Passeri, in the province of Pescara, are also included in the area declared affected by seismic events (INGV, 2018).

Later, with Decree No. 11 of 2022, eight more municipalities were added to the Crater Area: Bugnara, Cagnano Amiterno, Capitignano, Fontecchio, and Montereale in the province of L'Aquila; Colledara, Fano Adriano, and Penna Sant'Andrea in the province of Teramo (Governo Italiano, 2022).

To regenerate the territory, the Italian government has implemented various actions. In addition to declaring a state of emergency and devising plans for the reconstruction of residential properties, public buildings, and damaged infrastructure, a primary goal is to encourage repopulation in the area. Several measures have been developed to attract people, including those from abroad, through tax incentives and subsidized mortgages for purchasing homes (Law 229 of December 14), particularly targeting young people who choose to move to the earthquake-affected municipalities (Law No. 205 of December 27, 2017).

Furthermore, the 2019 Budget Law and its subsequent amendments introduced tax incentives for individuals with pension incomes provided by foreign countries, applying a substitute tax rate of 7% on all income for those who transfer their residence to municipalities within the Crater Area, similar to the tax regime in southern Italian municipalities (Gazzetta Ufficiale, 2019).

These incentives have already yielded encouraging results, implying a positive trend in the coming years. As one can see on the Table 1, between 2019 and 2023, in regions such as Abruzzo and Marche, which benefit from a 7% flat tax alongside Sicily and Sardinia (Informazione Fiscale, 2023) and other incentives, there has been an initial rise of residents from abroad. Abruzzo, in particular, has recorded a upward trend, with the number of new residents rising from 17 in 2019 to 115 in 2023. It is worth noting that this migration flow is predominantly composed of individuals receiving pensions from foreign countries. (Epasto & Lucia, forthcoming).

Table 1- Immigrants from abroad from 2019 to 2023 in regions benefiting from tax incentives.

Region	2019	2020	2021	2022	2023
Abruzzo	17	46	88	110	115
Marche	n.a	n.a	7	45	15

Source: Authors' personal elaboration on ISTAT.

This trend highlights the potential of tax incentives, which could be expanded not only to foreign individuals and pensioners but also to other groups such as real estate operators, agencies, families, and businesses interested in establishing themselves in the Crater Area.

Based on what has been discussed, it is clear that, while there is still much to be done to achieve a complete and sustainable recovery, the measures implemented have already begun to contribute to the repopulation and economic recovery in the Crater Area.

To complete the analysis of this case study, the following section will introduce an experimental methodological framework which can be useful for forecasting future scenarios and developing effective policies to manage them.

2. ADDRESSING FUTURE SCENARIOS: A METHODOLOGICAL PROPOSAL

To forecast future scenarios, algorithms such as Prophet, Random Forest, and ARIMA were employed, aiming to provide tools that can anticipate the evolving behaviours and needs, particularly those of the elderly population. In fact, the tax incentives designed to repopulate the earthquake-affected area have attracted a significant numbero of foreign retirees (Censis, 2021).

Using the Prophet algorithm, historical data on the number of foreign retirees relocating to Italy was analysed to predict future migration trends. Random Forest was applied to estimate consumption forecasts, while ARIMA enabled projections regarding the elderly population in various regions based on birth rates, mortality, and migration.

The graph generated by the Prophet model highlights a clear upward trend in the number of foreign retirees choosing as a destination Abruzzo and Marche, two region of Crater Area (Figure 2). With the right incentives, such as tax benefits and the promotion of local natural and cultural resources, these retirees may contribute to the revitalization of the municipalities within the Crater Area, thus triggering local development processes.

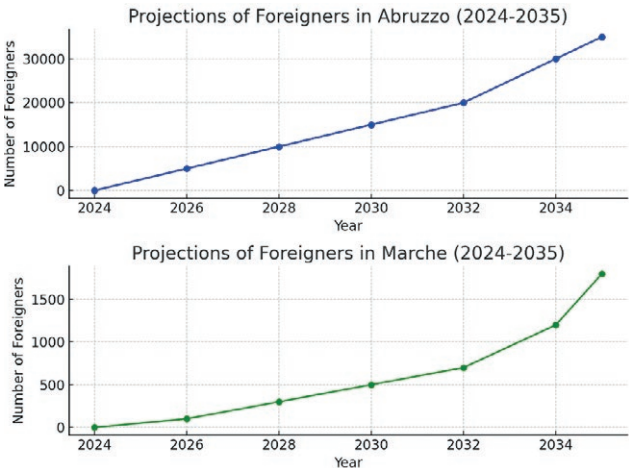

Figure 2. Results of Prophet for time series forecasting.

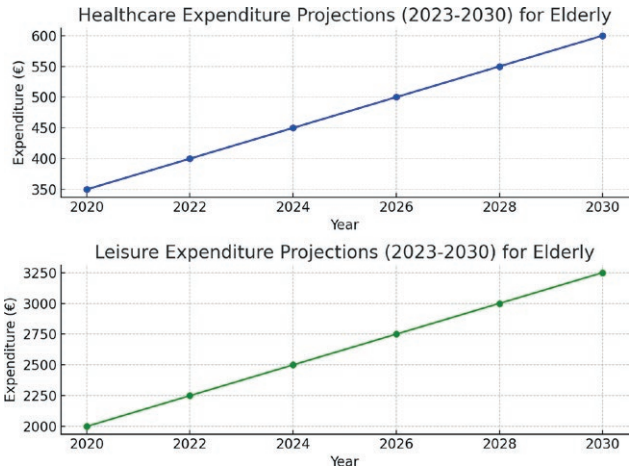

FIgure 3. Random Forest for Consumption Predictions.

The Random Forest model was trained on data related to elderly consumption to evaluate spending trends in key sectors such as healthcare and leisure. The use of Random Forest, a machine learning algorithm, enables precise and reliable predictions, leveraging the model's ability to manage large volumes of data with many variables.

In the forecast graph produced with Random Forest, the consumption predictions, clearly indicate the investments needed to address the demand for vital services, such as from healthcare and leisure, for the elderly population (Figure 3).

Finally, the use of ARIMA, combined with autoregression, integration, and moving average, allows for outlining future population trends. The forecast results show that in 2024, the number of foreigners in Abruzzo will be approximately 187, while in Marche it will be around 23. For 2025; a significant increase is expected, with 303 foreign retirees in Abruzzo and 34 in Marche. In the following years, a continuous upward trend is expected in both regions, aligned with the trend at national level as illustrate in Table 2.

The results show a steady increase in foreign retirees choosing Italy as new residence partly due to the 7% flat tax, who might favour areas like the Crater Area, drawn by the scenic beauty and tax incentives. Considering the estimates outlined by the methodological framework, the Crater Area has promising prospects for repopulation. As has been stated involving the earthquake-affected area in the ecological transition, requires that regeneration be based on the principles of seismic event prevention in the construction of homes and infrastructure, while also respecting the morphological characteristics of the regions.

Table 2. Forecasts of the Resident and Foreign Population in Italy (2025-2034).

Year	Projected Resident Population	Projected Foreign Population	Total Projected Resident Population
2025	58,989,384	6,192,843	65,182,227
2026	58,988,769	6,378,628	65,367,397
2027	58,988,154	6,569,987	65,558,141
2028	58,987,540	6,766,086	65,753,626
2029	58,986,925	6,968,069	65,955,093
2030	58,986,310	7,175,112	66,161,422
2031	58,985,695	7,388,365	66,374,060
2032	58,985,080	7,607,916	66,592,996
2033	58,984,466	7,833,968	66,818,434
2034	58,983,851	8,066,627	67,050,478

Source: Authors' personal elaboration.

3. CONCLUSIONS

The repopulation of the Crater Area represents a significant opportunity to promote the ecological transition, with the aim of achieving a sustainable development model based on eco-friendly practices. In this context, adopting organic practices and using sustainable building materials can play a key role, not only in attracting new residents but also in encouraging investment in the region. For instance, eco-friendly construction can provide modern homes built with sustainability criteria, contributing to reduced energy consumption and minimizing environmental impact. Earthquake-affected areas, physically devastated but still rich in environmental resources, culture and traditions, are ideal settings for experimenting with development models that integrate ecological transition and territorial regeneration.

Despite the progress made, many challenges remain to ensure a full and sustainable recovery. While tax incentives have helped attract new residents, it is essential to broaden attraction policies to engage not only retirees but also young families and new businesses. These groups can contribute to economic diversification and job creation, strengthening the socio-economic system of the area.

The repopulation of hilly and mountainous areas must be accompanied by targeted policies to ensure favourable living conditions in the long term. Among these policies, improving infrastructure and public services is crucial to make these regions attractive again for a stable resident population. Equally crucial is enhancing the resilience of local communities by promoting a culture focussed on seismic prevention and investment in advanced modern technologies for building safety and seismic monitoring.

The case study of Crater Area clearly shows the complexity of the ecological transition, which must consider a wide range of factors, highlighting the need for a holistic approach that merges regeneration with prevention. Revitalizing the economic and social context of the Crater Area requires not only the implementation of seismic prevention principles, but also, in addition to the flat tax, more favourable fiscal policies especially for families and businesses.

To revitalize hilly and mountainous areas, which were already experiencing depopulation prior to the 2016 earthquake, it is essential to adopt long-term and structured policies aimed at ensuring favourable living conditions for all demographic groups. This approach is the key to developing a stable and sustainable environment where ecological transition and repopulation can coexist and mutually enhance each other, promoting enduring regeneration in the affected areas.

REFERENCES

Barbini, G. (2021). Storia dei terremoti in Italia. Padova: CLEUP.

Boero, S. (2021). Distruzione e rinascita nella storia dei terremoti dell'Italia Centrale Appenninica (secc. XVII-XVIII). Storicamente. Laboratorio di Storia. 17, 1-28.

Censis. (2021). Rapporto annuale sulla situazione sociale del Paese. Rome: Censis. Available at: https://www.censis.it.

Epasto, S. & Lucia, M.G. (2024). Invecchiamento demografico: da fattore frenante a stimolo di sviluppo economico. Caso di studio: l'Area del Cratere. Forthcoming publication.

Gazzetta Ufficiale. (2019). Legge di Bilancio 2029. Rome: Istituto Poligrafico e Zecca dello Stato. Available at: https://www.gazzettaufficiale.it.

Governo Italiano. (2022). Decreto "Sostegni Ter" Decree. Decreto-Legge 27 gennaio 2022 n.4. Rome: Presidenza del Consiglio dei Ministri . Available at: https://www.governo.it.

Informazione Fiscale (2023). Articoli e guide fiscali dettagliate su come funziona la flat tax del and del 7% in Italia per i pensionati stranieri. Available at: https://www.informazionefiscale.it/Flat-tax.

Istituto Nazionale di Geofisica e Vulcanologia (INGV). (2018). 2016-2017 Sequenza sismica in Italia Centrale 2016-2017. INGV. Available at: https://www.ingv.it.

Istituto Nazionale di Geofisica e Vulcanologia (INGV). (2024). I terremoti in Italia. Avaible at https://ingv-terremoti.com/i-terremoti-in-italia/

Istituto Nazionale di Statistica (ISTAT). (2020). Analisi demografica ed economica delle aree sismiche. Demographic. Rome: ISTAT. Available at: https://www.istat.it.

Scordato, L., & Gulbrandsen, M. (2024). Resilience perspectives in sustainability transitions research; a systematic literature review. Environmental Innovation and Societal Transition, 52, 1-19.

Tierney, K. (2014). The Social Roots of Risk: Producing Disasters, Promoting Resilience. Stanford: Stanford.

Journal of Emerging Perspectives Vol. 1 – 2024