

## **Governing for Sustainability: Theorizing Business and Government Interactions**

### ***Call for Papers for a Special Issue***

**Submission Deadline: 31<sup>st</sup> August 2024**

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### ***Background***

Extensive government regulation has emerged to make business more sustainable, but business responses vary. Sustainability challenges have scale and complexity that tend to require a wide range of resources and competences. Business brings a capacity for innovation, mobilization of human resources and network power, and these all feature internationally in contrast to governments whose dynamics tend to be more incremental and usually constrained by national borders. Conversely, governments bring distinctive authority combining regulatory resources, particularly of mandate and fiscal capacity, and the monopoly of legitimate coercion.

The urgency of this special issue (SI) is illustrated by the following developments, which are individually under-valued, and whose collective significance is underestimated in the business and government literature.

Firstly, many sustainability problems are addressed by long-standing governance systems that rely upon business and government interactions (e.g., in privatization and contracts to deliver public goods such as water or energy). What impact do these interactions have on sustainability issues which had not been anticipated when they were devised?

Secondly, many new public policies addressing sustainability expressly invite business interactions (e.g., meeting the Sustainable Development Goals, market dis/incentives for un/sustainable behavior; corporate governance innovations). What explains the selection of these voluntary public policies as opposed to the use of government mandate, and what is their relative impact on sustainability challenges?

Thirdly, many business innovations for sustainability often interact with public policy, whether in a coordinating, collaborative or competitive fashion. What factors

shape these interactions and how can they be assessed in terms of addressing sustainability challenges?

In this light, the motivations for and explanations of different forms of government and business interaction need to be better understood. These include the relative merits of soft and hard law, the co-creation of standards and rules in different sustainability challenges, and the range of business forms of interaction, whether as an individual corporation, in business coalitions or in multi-stakeholder initiatives.

### ***Aims and Scope***

The SI aims to advance empirically grounded concepts and theories focused on the governance and changing regulatory landscape for sustainable business. We focus on the relationship between public regulation and private governance initiatives. Whilst public-private interactions in and for sustainability have been acknowledged in management and organization studies (Campbell 2007; Jackson & Apostolakou, 2010; Kourula, Moon, Djelic, & Wickert, 2019; Matten & Moon, 2020; Reinecke & Ansari, 2016; Wickert, 2021), our goal is to develop a more systematic and theoretical approach to this field of study, focused on critical sustainability challenges. We seek to explore new divisions of responsibility between the public and private actors, their governance interactions, and how these interactions can be devised to bring about a better future including resilience, equality and well-being of people and planet.

Extensive new government regulation has emerged to make business more sustainable, but business responses vary or are unclear. The European Union taxonomy for sustainable activities (“green taxonomy”), social and environmental reporting regulations world-wide (Hahn et al., 2023), the US Securities and Exchange Commission Climate Disclosure Rule, the US Green Deal and India’s 2% CSR rule illustrate government ambition to regulate business sustainability (Amengual, 2010; Knudsen & Moon, 2021). Government has played a resurgent role in responding to the Covid-19 crisis (Crane & Matten, 2021) and reorganizing many business activities in the interest of public health. Economic sanctions following the Russian invasion of Ukraine have highlighted the interdependencies of private business with public interest and geopolitical concerns (Estrin & Meyer, 2023). In parallel, private sustainability initiatives influence public policymakers (Eberlein, Abbott, Black, Meidinger, & Wood, 2014), and corporations and other private actors often seek to fill governance gaps where the public sector is not willing or able to regulate (Scherer and Palazzo, 2011). Finally, public and private entities can interact – through coordination, collaboration or competition – in shaping sustainability outcomes (Cashore, Knudsen, Moon, & Van der Ven, 2021).

While researchers have noted that business-government interactions require (Davis, 2021; Gond, Kang, & Moon, 2011) and shape (Kourula et al., 2019; Levy, 2021) new forms of governance, our ambition is to conceptualize and explain the contexts, contingencies and impacts of these new relationships, specifically in the context of sustainability more comprehensively.

A dominant view in management scholarship is that the relations between government and business – and corporate responsibility in particular – are, or should be, ‘dichotomous’ from one another. Sometimes the role of government is simply ignored (Knudsen & Moon 2022). This is evident in the stakeholder view from its emergence (e.g., Freeman 1984) to contemporary manifestations (e.g., Freeman et al., 2023) which barely recognizes government. Similarly, the literatures on corporate purpose (Mayer 2021) and political CSR (Scherer & Palazzo 2011 – but see Scherer, Rasche, Palazzo, & Spicer 2016; Wickert, 2021) acknowledge government institutions, but treat public and private as separate worlds.

However, public and private governance processes interact and influence each other in multiple ways. Governments influence private governance through mandating and orchestration (Eberlein, 2019; Giamporcaro, Gond, & O’Sullivan, 2020; Knudsen, Moon, & Slager, 2015; LeBaron & Rühmkorf, 2017). The cross-sector and public-private partnerships literatures reveal evidence on specific projects, locations or industries (George et al. 2014). Private governance is partially embedded in public policy and institutions, influencing their efficiency and enforcement (Bartley 2022; Graz, 2022). The state capitalism literature reveals the institutional variety of state-owned multinationals, state and market interactions, and the consolidation of new statism (Musacchio, Lazzarini, & Aguilera, 2015; Wright, Wood, Musacchio, Okhmatovskiy, Grosman, & Doh 2022; Wood, & Wright, 2015). Companies become prominent political actors advancing industry objectives (Nyberg, 2021), providing societal goods (George et al., 2016), or becoming political activists (Chatterji and Toffel, 2019; Lyon et al., 2018; Olkkonen & Morsing, 2022) supporting sustainability. Following the ‘related view’ of government and business (Knudsen & Moon 2022), we note that some of the relationships require re-theorization including the institutional underpinnings of markets and corporations in public policy (Ciepley 2013; Avi Yonah 2005), the roles of business in ‘governance voids’ often crucial to sustainability challenges (Scherer & Palazzo, 2011; Scherer, Rasche, Palazzo & Spicer, 2016) and the impacts of the trend of ‘re-regulation’ by government on business motivation and capacity to address sustainability problems (Kourula et al. 2019). The SI is interested in when/where/how/under which conditions soft-law (i.e., market-based approaches) are better at tackling sustainability challenges compared to hard-law (i.e., regulation-based approaches).

This SI calls for papers adopting multidisciplinary approaches to enriching management theories through collaboration with, and learning from such fields as political science, policy studies, industrial relations, and impact research. We are especially interested in finding new theoretical avenues to understand the governance of sustainable management related to grand challenges such as gender inequality, poverty, the loss of biodiversity or climate change. The possible questions include but are not limited to:

### *Questions about corporate actors*

1. How can corporations best support public governance for improved societal outcomes?
2. How does corporate adherence to, or avoidance of, new governance requirements influence their effectiveness?
3. Do business interactions with non / democratic governments have different dynamics and implications?
4. What role can be played by different corporate governance systems in creating for positive interactions with government?
5. What impact does regime competition for attracting the investment of multinational corporations play in sustainability policy

### *Questions about government actors*

6. How can public actors enable efficient and effective business contributions to sustainability?
7. When and how is government regulation required for business to act more sustainably?

### *Questions about all governance actors*

8. What processes, metrics, labels, and standards enable government-business interactions for sustainability governance issues?
9. Which actors are key to the production, maintenance, and transformation of the new governance dynamics?
10. How are these actors motivated and equipped to address the challenges of multi-level and multi-actor governance?
11. How do public regulation and private authority interact differently across countries or regional contexts, including the Global South?

### *Questions about governance*

12. How does new sustainability governance acquire local and global legitimacy?
13. How is sustainability shaped by different competition regimes ranging from monopolies / monopsonies to business in more competitive markets?
14. To what extent and under which conditions are soft-law approaches more or less effective than hard-law in tackling sustainability challenges?
15. Which configurations of hard and soft regulations are best able to generate socially and ecologically beneficial outcomes at the global, national and/or industry levels?
16. What is the role of power in the relationship between public regulation and private authority? And to what extent do corporations exercise political power to positively or negatively influence public regulation in the sustainability field?

The SI examines how governance interactions can be designed to improve resilience, equality, and well-being of people and planet. We encourage submissions with high scholarly, practical and societal impact (Wickert et al., 2021).

## SUBMISSION PROCESS AND DEADLINES

- Submission deadline: 31<sup>st</sup> August, 2024.
- Expected publication: late 2026.
- Submissions should be prepared using the JMS Manuscript Preparation Guidelines (<http://www.socadms.org.uk/wp-content/uploads/JMS-ManuscriptPreparationGuidelines.pdf>).
- Manuscripts should be submitted using the JMS ScholarOne system (<https://mc.manuscriptcentral.com/jmstudies>).
- Articles will be reviewed according to the JMS double-blind review process.
- We welcome informal enquiries relating to the Special Issue, proposed topics, and potential fit with the Special Issue objectives. Please direct any questions on the Special Issue to the Guest Editors:
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## SPECIAL ISSUE EVENTS

**Pre-submission paper development workshop:** Interested authors will be invited to submit a 3000-word extended abstract to a special issue workshop. We will organise in person workshop on 23rd of May 2024 in London at the Bayes Business School, and online workshop 24th of May 2024. Authors are invited to indicate whether they would like to participate to the in person or the online day. The workshop will last both days from 10 am to 4 pm. In the beginning, we will introduce the special issue and explain what we are looking for in terms of submissions. After that we will have paper presentations at breakout sessions with a facilitator to discuss the papers and the fit with the special issue as well as receive feedback from other authors. Attendance is not a precondition for submission.

**Submission requirements:** Please submit a short paper around 3000 words (including references, appendices and other materials) by (new extended deadline) 23rd of February 2024. Short papers should focus on the main ideas of the later full paper, i.e. they should explain the purpose of the paper, theoretical background, the research gap that is addressed, the approach taken, the methods of analysis (in empirical papers), main findings and contributions. We will inform our decisions by mid-March.

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