

# Corporate Environmental Management in Developing Nations

(SMPP 211, fall 2008)

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**Class Times:** Wednesdays 7:10 p.m. to 9:40 p.m. Elliot School, Room 111

**Office Hours:** Wednesdays 3:00 p.m. to 6:30 p.m. or by appointment

## 1. Teaching objectives:

The general goal of this course is to provide a graduate level introduction to corporate environmental management in developing countries. While many in the business, government, and non-profit sectors view environmental protection as inevitably ignored and/or a threat to competitiveness, others see win-win opportunities. What allows some actors to see opportunities where others see a threat to economic growth and competitiveness? To answer this question the course's specific objectives are:

1.1 Provide students with the knowledge to understand how the distinctive contextual characteristics of emerging market countries affect business, government, and social groups' environmental protection preferences and behavior.

1.2 Examine and discuss different perspective used to judge win-win and critical perspectives on corporate environmental/social responsibility in developing countries.

1.3 Teach students how to design win-win environmental/social responsibility strategies that can be effective in developing countries.

## 2. Methods and format

These topics will be examined in theory and practice using specific real life cases from Africa, Asia, and Latin America. Basic strategic management and public policy concepts are addressed at the beginning of each main section of the course. Then, the class focuses on understanding how to use these concepts for corporate environmental management decision making. Students are also required to complete a research project that examines the evolution of business responses to environmental protection demands in developing countries.

Class sessions will combine lectures and case analysis. Discussions of real life cases are the core of the class and their success is based on the degree of participation by students. Therefore, students are required to complete readings in advance and to actively participate in class dialogues.

## 3. Organization

The course is divided into 3 main sections:

1. Introduction

2. Developing country context and environmental protection
3. Competitive strategy and environmental protection opportunities in emerging markets

#### 4. Grading

- (1) Participation in class: 30%
- (2) Research project: 40%
- (3) Critique of environmental policy-and-business responses draft work: 10%
- (4) Optional Final exam: 20%

#### Grading scale:

The following scale distribution will be used to determine your grades:

A	= 94.0% - 100%	A-	= 90.0% - 93.9%
B+	= 87.0% - 89.9%	B	= 84.0% - 86.9%
B-	= 80.0% - 83.9%	C+	= 77.0% - 79.9%
C	= 74.0% - 76.9%	C-	= 70.0% - 73.9%
D	= 60.0% - 69.9%	F	= 59.9% and below

#### Class Participation:

Your active class participation is critical for producing a rich learning environment. The evaluation of participation includes a variety of factors such as:

- Reading the assigned material: The amount of reading for this course is significant. All students are required to read all the material for each day.
- Class discussions: Actively and constructively engaging in class deliberations and group activities.
- Attendance: Everyone is expected to be on time and attend all classes. *Students missing more than three classes will earn an "F" for participation.*
- Courtesy: All students are expected to be respectful and courteous to other class members. This includes turning off cell phones, pages, and blackberries, and refraining from checking email on any electronic device.

The participation grade will be determined based on these criteria and I will provide mid-term feedback to each student (see evaluation of participation guide at the end of this syllabus).

#### General Expectations:

- Without exception, all assignments should be typewritten.
- Late assignments will be accepted with the understanding that they will be graded down 20% for every day they are late.

#### 5. Research project:

Throughout the semester you will work on preparing a research project. The goal of the project is to develop a case study that describes and discusses the evolution of business responses to environmental protection demands in developing countries. I will provide specific instructions to help you develop a successful project.

Assignment	Due date (grade)
The first research assignment involves preparing a 3 page paper outlining the case study of your choice, justifying its importance and identifying the most relevant factors affecting it.	Oct. 15 (10% of final grade)
The second assignment requires drafting a full research paper that describes your case study, and discusses: (1) how business environmental management choices have been affected by country context and firm characteristics, and (2) their effectiveness to promote competitiveness and enhance environmental performance.	Nov. 12 (10% of final grade)
Your final assignment is to prepare a revised version of the second assignment that addresses my comments to your initial draft.	Dec. 3 (20% of final grade)

#### 6. Required readings and cases:

Most documents assigned for class will be available on the Electronic Reserves section of the Blackboard website for the course. Cases and reading not available on Blackboard can be purchased online at: [www.xanedu.com](http://www.xanedu.com). Following is the list of cases and readings to buy:

1. Wal-Mart's Sustainability Strategy. Plambeck, Erica; Denend, Lyn. Case No. OIT71. Published 04/17/2007, Graduate School of Business Stanford University, (50 pages).
2. Embrapa. Bell, David E.; Shelman, Mary. Case No. 9-507-019. Published 12/12/2006, Harvard Business School Publishing, (27 pages).
3. The Xiamen PX Project: the Rule of Contract or Citizens in China Today. Abramii, Regina; Zhang, Richard. Case No. 9-808-123. Published 05/03/2008. Harvard Business School Publishing, (22 pages).
4. Moving Mountains: The Case of the Antamina Mining Company. Portocarrero, Felipe; Sanborn, Case No. 9-SKE-096. Published 03/05/2007, Harvard Business School Publishing, (18 pages).
5. Natura-Ekos: From the Forest to Cajamar. Fischer, Rosa Maria; Casado, Tania. Case No. 9-SKE-016. Published 07/29/2003, Harvard Business School Publishing, (23 pages).
6. Honey Care Africa (A) & (B). Branzei, Oana; Valente, Michael. Case No. 9B07M022. Published 04/02/2007, Richard Ivey School of Business, (16 and 9 pages).

7. Broad Air Conditioning and Environmental Protection. He Z; Sun M; Beamish PW. Case No. 9B04M034. Published 06/24/2004, 2002. Richard Ivey School of Business, (14 pages).

8. Waste Concern. Phills, James A.; Drabkin, Davina; Hanley, Dave. Case No. SI71. Published 11/01/2006, Revised 06/01/2007. Graduate School of Business Stanford University, (25 pages).

**To purchase these cases, please do the following:**

1. Open the XanEdu "Login/Register" page at:

<http://www.xanedu.com/login.shtml?PackId=288249>

2. If you have previously registered for another CoursePack, log in. If not, click the "Student Registration" button under the "New Users Register Here" banner. Complete the registration page, and click Continue.

3. Confirm your CoursePack selection, and complete the purchase form.

4. The CoursePack is encrypted with copyright-enforcement technology. Thus, to view and print the cases, **you must download the pdf plug-in required by xanedu into your personal computer. This step can not be skipped** (and needs to be repeated if you are using a different computer).

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## 7. COURSE CALENDAR

### INTRODUCTION

#### **Class 1, Sep. 3. Course Introduction**

- Detailed overview of the course
- Personal introductions by students and professor
- Class exercise: What is your environmental footprint?  
(<http://www.earthday.net/footprint/index.html>)

#### **Class 2, Sep. 10 Global environmental trends**

1. United Nations (2005). *Ecosystems and Human Well-being: Opportunities and Challenges for Business and Industry*. Millennium Ecosystem Assessment: Business Synthesis Report. New York. (Available on my website at <http://home.gwu.edu/~jrivera/> click on publication No. 6)
2. As China Roars, Pollution Reaches Deadly Extremes. **Part I**. The New York Times, August 26, 2007. (Blackboard).
3. Video: Planet in Peril (CNN, 2008).

Optional readings:

3. Part II of New York Times article above (Blackboard)
4. Scorched Earth, will environmental risks in China overwhelm its opportunities. Harvard Business Review, June 2007. (Blackboard)

**Class 3, Sep. 17 Overview of corporate environmental management issues**

1. The green conversation. Harvard business Review, September 2008: 58-60. (Blackboard)
2. Green and competitive. Harvard business Review, September 1997: 120-134. (Blackboard)

Case study:

Wal-Mart's Sustainability Strategy. (xanedu.com)

**DEVELOPING COUNTRY CONTEXT AND ENVIRONMENTAL PROTECTION**

**Class 4, Sep. 24. Developing country context: Unique characteristics**

1. Grindle, M. and Thomas, J. (1991). *Public choices and policy change: The political economy of change in developing countries*. Baltimore: Johns Hopkins University Press. Read: Chapter 3: Generalizing about developing country policy environments. (Blackboard)
2. Ascher, W. (1999). *Why governments waste natural resources: Policy failures in developing countries*. Baltimore: The Johns Hopkins University Press. Read: Chapter 1: Introduction. (Blackboard)

Case study:

The Dominican Republic and Haiti:

3. One island, two peoples, two histories: The Dominican Republic and Haiti. Chapter 11, In Jared, D. 2005. *Collapse: How societies choose to fail or succeed*. New York: Viking Press. (Blackboard)
4. The riddle of the Hispaniola. Chapter 1. in Harrison, L. 2006. *The central liberal truth: How politics can change a culture and save it from itself*. Oxford: Oxford University Press. (Blackboard)

**Class 5, Oct. 1. Business environmental protection strategies: Differences between U.S. and developing country contexts**

**Critique memorandum due today**

1. Chapter 4 DRAFT\*. The protective policy process and business responses in the U.S.: A curvilinear relationship. Rivera, J. (Forthcoming). *Business and Public Policy*. Cambridge, UK: Cambridge University Press. Book Summary. (Blackboard).

2. Chapter 5. DRAFT\*. Chapter 5. Country contexts and the protective policy process-business response Relationship. Rivera, J. (Forthcoming). Business and Public Policy. Cambridge, UK: Cambridge University Press. Book Summary. (Blackboard).

\* *Please notice that these documents are WORKING PAPER DRAFTS. Accordingly, their writing and ideas are obviously unpolished. I welcome any comments you may have.*

3. Class video: The ShipBreakers of Bangladesh.

### **Class 6, Oct. 8. Environmental/social management challenges in developing countries**

#### Case studies:

1. Embrapa. David E. Bell, Mary Shelman. Harvard Business School Case # 507019. Publication Date: Dec 12, 2006. (xanedu.com)

2. The Xiamen PX Project: the Rule of Contract or Citizens in China Today. Harvard Business School Case # 9-808-123. Regina Abrami & Richard Zhang. Apr 7, 2008. (xanedu.com)

### **COMPETITIVE STRATEGY AND ENVIRONMENTAL PROTECTION OPPORTUNITIES IN DEVELOPING COUNTRIES**

### **Class 7, Oct. 15. Stakeholder management and corporate environmental/social responsibility**

#### **First research assignment due today**

1. O'Rourke, Dara (2005), "Market Movements: Nongovernmental Strategies to Influence Global Production and Consumption" *Journal of Industrial Ecology*, vol. 9, no. 1-2. (Blackboard)

2. C.Ramus and A.Marcus, "Examining Barriers to Negotiated Environmental Agreements: Organizational, Individual, and Situational Dynamics," *International Journal of Organization Theory and Behavior*, Fall 2005. (Blackboard)

#### Case study:

Moving mountains: The case of Antamina in Peru, (xanedu.com)

-Epilogue to be given in class.

### **October 22, NO CLASS: Attending Annual Conference of the Policy Sciences Society**

### **Class 8, Oct. 29. Building alliances for sustainability I**

1. Rondinelli, D. A., & London, T. 2003. How corporations and environmental groups cooperate: Assessing cross-sector alliances and collaborations. *Academy of Management Executive*, 17(1): 61-76. (Blackboard)

#### Case study:

Natura-Ekos: From the Forest to Cajamar. (xanedu.com)

### **Class 9, Nov. 5. Class 8, Nov. 5. Building alliances for sustainability II**

1. Hart. S. *Capitalism at the crossroads*, Ch. 7: Broadening the corporate bandwidth. Wharton School Publishing.

#### Case study:

Honey Care Africa (A) and (B). (xanedu.com)

### **Class 10, Nov. 12, Gaining green differentiation advantages**

#### **Second research assignment due today**

1. Environmental product differentiation: Implications for corporate strategy; Forest L. Reinhardt; *California Management Review*, Berkeley; Summer 1998; Vol. 40, Iss. 4; pg. 43. (Blackboard)

2. Cashore, Auld, & Newsom. 2004. *Governing Through Markets: Forest Certification and the Emergence of Non-State Authority*. New Haven: Yale University Press. (Blackboard)

#### Case Study:

*Broad Air Conditioning and Environmental Protection in China*. By Paul W. Beamish, Zhi Yi He, Meng Sun. 2004. HBS Case. Product#: 904M34. (xanedu.com)

### **Class 11, Nov. 19. Voluntary certification programs**

1. Christmann, P., & Taylor, G. (2002) "Globalization and the environment: Strategies for international voluntary environmental initiatives." *Academy of Management Executive*, 16(3): 121-135. (Blackboard)

2. Di-Chan –Xing. 1999. ISO-14001: The severe challenge for China: An overview of the problems china faced in the implementation and certification of ISO-14001. In Wehrmeyer, W., & Mulugettam Y (Eds). *Growing Pains: Environmental Management in Developing Countries*. Sheffield, UK: Greenleaf Publishing. (Blackboard)

#### Case Study:

*Sustainability and environmental standards: Seeking competitiveness at Damai Lovina Villas*. Nicole Darnall and Mark Milstein. Oikos Cases. (Blackboard)

**Class 12, Nov. 26. Global warming: Implications for business strategy**

1. Competitive Advantage on a Warming Planet. Harvard Business Review, March 2007 (Blackboard).

2. The MBA's climate change Primer, Stanford Business School

2. Class video: Gore. A. 2006. An inconvenient truth.

Case study:

Waste concern (in Bangladesh). (xanedu.com)

**Class 13, Dec. 3. Review of the course**

**Third research assignment due today**



## **Evaluation of participation in class<sup>1</sup>**

“The majority of class time will be devoted to discussion of the assigned cases and readings. Class participation is evaluated on quality rather than quantity. Comments need not mirror the position of the cases, readings, or the professor. You are graded not on the “correctness” of your position, but rather on your analysis of the material and your ability to articulate your ideas. You don’t have to be at the center of every debate, but students who make little or no effort to enter discussions will receive a lower participation grade. Discussion will become lively, heated even. Always respect the positions of others. When you disagree with someone, be sure to criticize the *idea* and not the person. Participation will be graded according to the following criteria:

### **A**

The student in this grade range arrives in class each day thoroughly prepared with comments and questions on the assigned reading. Comments reveal that the student has read carefully; this student occasionally initiates the discussion without waiting for the professor to do so. This student does not, however, try to dominate the class, but listens carefully to the remarks made by fellow class members, and responds as readily to these as to the instructor’s questions.

### **B**

The student in this grade range participates in most discussions, although not as fully or reliably as the student described above. There is evidence of having done the reading. This student pays attention to the comments of the other students.

### **C**

The student in this grade range participates only intermittently, and is more willing to discuss broad, general questions than to engage in concrete analysis of an assigned text. Sometimes unprepared, this student lacks interest in the ideas of other members of the class, neglects to bring the proper text to class, and is often inattentive.

### **D**

The student in this grade range seldom if ever participates.

### **F**

Missing more than 3 class sessions

### **Things that lower your participation grade:**

- \* Missing classes
- \* Talking to your neighbor or holding conversations separate from the class discussion
- \* Not paying attention in class
- \* A ringing cellphone, checking email or surfing the internet.”

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<sup>1</sup> Source: University Honors Program. Social Science Seminar Semester #1 Model Syllabus, Fall 2008.