Environmental Sustainability Practices

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The European Union and United States are two enormous, industrialized, and socially established units where environmental protection on the political agenda is high. Yet, massive geographical and physical differences between regions and the size of their territories create certain complications for both entities as to how best to protect their environment. Besides, administrative and political structures often have power struggles in their regional and central authorities in charge of environmental protection. Therefore, both entities have, over time, implemented several multilateral environmental agreements (MEAs) to sustain their environment. This paper will compare and contrast various environmental sustainability practices adopted by both the EU and the US.

Over the decades, while the EU has grown to be the foremost MEAs advocate, the US has declined the sanction of most vital agreements. Initially, between 1970s and 1980s, America was projected to be a leading supporter of environmental law globally. The then European Economic Community nations were not the leading party during this time. Still, they did substantially internalize, consent to, and comply with the international environmental agreements espoused by the US leadership (Kelemen & Knievel, 2015). However, there was a change in the course during the post-1990s period. The EU assumed the leadership mantled on international environmental matters since the 1990s, sticking out as the principal exponent to a sequence of significant MEAs. Contrary to the European States during the US leadership period, the US demonstrated an unwillingness to internalize, consent to or comply with the established environmental norms backed by the EU since the 1990s. Briefly, it is evident that the US commanded and Europeans went along in the initial years until the 1980s while the EU steered, and the US showcased active resistance starting from the 1990s.

However, regarding the developments, it is not apparent that the US broke off its advocacy for international law, neither is it obvious that the EU generally supported it. As much as the blueprints in recent decades highlight the differing preferences towards the strictness of environmental guidelines, they do not essentially mirror different commitment levels to international laws. For instance, Kelemen and Knievel (2015) state that although the US has had a history of declining to approve successions of vital environmental agreements, it remains in compliance with numerous formerly signed environmental treaties. On the other hand, despite the fact the EU has campaigned for several key international environmental pacts, it has also proved an inclination to participate in unilateral activities to endorse its environmental strategy aims even if these debatably caused it to infringe the laws of other legal international administrations it is a party to—such as the world trade regime. Generally, The US and EU environmental law positions can be best clarified by their different commitment levels to considerable environmental policy goals.

In contemporary society, corporate social responsibility (CSR) plays a significant role in a firm's life in both the EU and the US. Citizens expect companies to generate profits and conduct themselves in an ethical and socially responsible manner. One social responsibility aspect is environmental protection; another is addressing social issues such as hunger and poverty. A corporation's social responsibility is also reflected through its ethical standards – how it treats its stakeholders, including customers, employees, and vendors. When a company maintains constant CSR, customer satisfaction and retention will be secured as well as employee recruitment and retention. The company will also have access to funding, stable cash flow, and a positive image in society.

Following the environmental and social concerns in the 1960s through to 1970s, the US government passed laws concerning hazardous waste control and pollution; and companies were mandated to meet these requirements. The requirement for reporting to the public arose in the 1990s when corporations used CSR reports as damage control. An example is when Nike used CSR after violating child labor standards in Southeast Asia or Exxon-Mobil after the Valdez oil spill (Tschopp, 2005). CSR report remains voluntary in the US. Tschopp (2005) affirms that a growing number of firms are revealing this information to meet their shareholders' demands. Socially responsible investments (SRIs) is among the most rapidly developing sections of the investing community. The amplified quantity of SRI in the US has forced individual fund managers and financial markets to rely on dependable and comparable reporting standards.

US corporations have been slow to adopt the universally recognized standards mentioned above. Out of the 164 companies that make reports under GRI guidelines, only 33 (20%) are from the US, compared to 91 (55%) from the EU (Tschopp, 2005). This shows EU companies have taken corporate environmental and social accountability more seriously. US conservatives are concerned that over-regulation can adversely impact financial markets, hence, prefer voluntary disclosure. Its requirements differ among 15 countries, CSR reporting remains voluntary in the EU as in the US. According to Tschopp (2005), the European Commission rejected an obligatory reporting approach in the 'White Paper' and instead instructed all EU public companies to implement International Accounting Standards (IAS). This prerequisite will enhance the consistency and equivalence of financial reporting among member nations and positively affect social and environmental reporting.

References

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