Alexander Moutchnik Chair of Business Administration 1 Alfred Weber-Institute University of Heidelberg, Grabengasse 14, D-69117, Germany

Tel: +49-6221-542940 Fax: +49-6221-543592

E-mail: <u>alexander.moutchnik@awi.uni-heidelberg.de</u>

# Running at least twice as fast as possible Politicization of Environmental Management Standards

"Well, in *our* country", said Alice, still panting a little, "you'd generally get to somewhere else – if you run very fast for a long time as we've been doing."

"A slow sort of country!" said the Queen. "Now, *here*, you see, it takes all the running *you* can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!"

Lewis Carroll, Through the Looking-Glass, 1872

### **Abstract**

The last decade of the 20<sup>th</sup> century witnessed rapid growth in the adoption of environmental management standards (EMStandards) within organizations of all types and sizes all over the world. Such factors as increased environmental awareness in society, implementation of technical and technological innovations, the rise of quality und environmental requirements, and the political and economic integration of different countries have combined to produce this trend and have made the ISO-approach popular. Today, the ISO 14001 is the essential part of management not only in most of transnational corporations, but also in some small and medium sized enterprises (SMEs) primary with an adverse environmental impact. The dissemination of EMSstandards is taking place now mainly in the public administrations, municipal authorities and other political bodies. The standards are therefore widely accepted not only in business, but also in politics.

This paper focuses on the role of EMStandards in the interaction and interdependency of business and politics. It examines the processes of spreading standardized environmental management practices and points out the political factors that transform a voluntary initiative of an organization using ISO 14001 into a mandatory one. This paper will analyze the ways for governmental and non-governmental organizations to keep the run towards the continual improvement of their overall environmental performance ("at least twice as fast as possible") that is afforded nowadays – just like in the case of the Carroll's Queen – by the state authorities.

## Introduction

Environmental issues are integrated nowadays into the business operations of nearly every organization. Environmental Management System (EMSystem) is an appropriate tool for an organization to manage its impacts on the environment in a most profound and systematic way and to move its environmental policy beyond compliance with applicable environmental laws, regulations, and permits. Therefore, an effective and efficient EMSystem can guide a company towards continual environmental improvement.

The importance of EMSystems for reducing an organization's operating and insurance costs, improving energy and resource conservation, decreasing compliance and liability charges, providing access to investment capital and to regional markets, and reassuring stock- and stakeholders that the organization is actively working to protect the environment from the adverse impacts of its activities (OECD 2004: 16-17) has been recognized by enterprises, national and

international standard-setting bodies, governmental, intergovernmental, and industrial organizations, consultancy companies, and other interested parties. Since the early 1970s, various EMSystems and management solutions have been developed and implemented in nearly all branches and sectors of activity.

Most EMSystems can be classified according to four broad categories: namely,

"performance driven", like "External Value EMSystems" developed by the American Multi-State Working Group on Environmental Performance that are tailored to fit the specific operational requirements of the implementing company, typically with the specific purpose of giving this company a competitive edge;

"sector-specific", like the Responsible Care initiative of the global chemical industry or the Cement Sustainability Initiative of the World Business Council for Sustainable Development (WBCSD) that are emerging as a way to further drive performance gains by developing templates designed to address specific industry environmental impacts;

"size-specific", like the British Standard 8555:2003 for the implementation in small and medium sized enterprises (Gelber 2004) and, finally,

"externally certified", like the international standard ISO 14001 and/or the European Union's Eco-Management and Audit Scheme (EMAS-II 2001), whose principles are generally based on ISO 14001 and go in some items beyond them (Morrow & Rondinelli 2002).

Developed by the International Standards Organization and firstly published in the year of 1996, ISO 14001, whose improved version came out on the 15<sup>th</sup> November 2004, represents most generally and, at the same time, in the most progressive way, the state of the art in environmental management practice. This standard is "at the leading edge of ISO's comprehensive offering to help organizations address all three dimensions of sustainable development - social, economic, and environmental" - affirmed ISO Secretary-General Alan Bryden (ISO 2004).

As the main international standard for the design and content of an EMSystem, ISO 14001 is a part of the ISO 14000 family of standards, which contains more than twenty standards, technical reports, and working drafts for EMSystems, environmental auditing, environmental performance and evaluation, environmental labelling, life cycle assessment, environmental communication, environmental assessment of sites and organizations, environmental product design, as well as measuring, reporting and verifying entity- and project-level greenhouse gas emissions. The environmental knowledge and experience expressed in these standards are available for adoption wholly or in part by any organization. The only standard, for which whole implementation can be confirmed by an independent certification body with a certificate, is ISO 14001.

In contrast to ISO-technical specifications and standards that have been adopted to provide constancy and similarity of products and services world-wide, ISO 14001 is a normative and a voluntary standard. It standardizes a process, not a product's performance, and its main purpose is not to provide constancy, but to provide a continual development and improvement of a variety of EMSystems, rather than striving for uniformity. Methodologically, ISO 14001 is based on the "Plan-Do-Check-Act"-approach, which serves also as a basis for ISO 9000-standards for Quality Management Systems. The PDCA-approach establishes a permanent, on- going management process in the organization. The success and the benefits of the standardized EMSystem can be evaluated, therefore, only in a long-term perspective.

ISO 14001 does not impose common performance requirements on the organizations implementing it. It is clearly stated in the introduction to the standard: "It should be noted that this International Standard does not establish absolute requirements for environmental performance beyond commitment in the policy to compliance with applicable environmental and legal requirements, prevention of pollution, and to continual improvement" (ISO 14001:2004, Introduction). Consequently, the ISO 14001-certificate does not guarantee the level of environmental protection at the organization: "Thus, two organizations carrying out similar operations but having different environmental performance may both comply with the requirements of ISO 14001" (ISO 14001:2004, Introduction). Despite this clear statement of the ISO 14001-standard, numerous research projects have tried to find the correlation between the ISO 14001-certification of companies and their environmental performance. The latest of such research was undertaken by Welch, Ashish and Yasuhumi (2004). Their findings regarding the

effect of ISO on environmental performance are mixed and they generally concluded that ISO 14001 has a moderate effect on a firm's environmental action.

In fact, the primary aim of ISO 14001 is not to compel the organization to improve its overall environmental performance in a rushed way and at any price, but to make the top management to take environmental aspects of the organization's activities into consideration in their general decisions. In this way, the framework of EMSystem based on the ISO 14001-approach can provide balanced management policy concerning environmental issues and can, therefore, lead to a continuous improvement of the environmental performance. The ISO 14001-certificate shows not only the commitment of the top management to protect environment, but also the soundness of the overall policy of the company, as only a profitable firm can afford to take care of environmental projects.

ISO 14001 has been criticised for what has been described as "structural weaknesses". A 2001 study conducted by the US National Academy of Public Administration identified its main problem as variations in interpretation during the registration and auditing process (NAPA 2001). Without adequate disclosure, neither auditors nor the general public can easily verify company claims. In addition, ISO 14001 does not demand from an organization to comply with applicable laws and regulations – only a "commitment" of the top management to comply is required.

Despite its limitations, the ISO 14001 standard provides organizations with "the basic language" for their environmentally-oriented activities, eases communication, and creates the same way of thinking and acting for the sake of environmental protection within and among the organizations world-wide.

Certification is not a requirement of the standard, but many organizations have chosen this option because of the perceived credibility of independent verification and/or because of formal and informal pressures exerted on organizations by other organizations, and by the cultural environment in which they operate. Up to the end of December 2003, at least 66 070 certificates to ISO 14001 had been issued in 113 countries and economies. The year 2003 was marked by the largest annual increase of ISO 14001-certificates (of over 34%) so far recorded in the nine yearly ISO surveys which ISO 14001 has been included in (ISO Survey 2004).

The decisions about the implementation of EMSystem as well as about its external auditing and ISO 14001-certification are usually made by the top management of the organization. To the main driving forces of the "compulsory" implementation of "voluntary" EMS within organizations belong transnational corporations, like Ford Motor Company, Toyota, General Motors and others, with the policy to require ISO 14001-certification by all their affiliates and suppliers; industry associations, which include the requirements of ISO 14001 in their industrial codes of conduct, which are compulsory for all member-companies; chambers of commerce and the WTO, which try to ease the barriers of trade with the help of EMStandards and engage trade companies to implement ISO 14001-certified EMSystems; ethical investment funds and banks, like Calvert Investments or Swedish FöreningsSparbanken, which invest in companies that undertake positive environmental actions, including the certification of ISO 14001; indexes and ranking agencies, like FTSE All-World Developed Index or DJSI of the SAM Group, which include in their questionnaires the question about the percentage of ISO 14001-certified sites within a corporation and thereby force ISO 14001-certification upon firms that want to improve their ranking and to attract investors; municipalities with their EU-recommended supplier selection policies, in accordance to which suppliers for larger contracts are likely to be expected to have a recognised accreditation in EMSystems, which is at least equivalent to ISO 14001.

Municipalities and the local governments traditionally have been seen only as "the most important stakeholders" of the organizations. Hamschmidt & Dyllick pointed out that "the demands and expectations of the public authorities strongly influence the implementation and the further development of EMSystems... in the private sector... If state authorities develop an approach to EMSystems that rewards high-performance EMSystems, the diffusion and effectiveness of EMSystems could be improved" (2002:52). The state authorities monitor the environmental situation in the regions and control the fulfilment of the legal acts and other requirements by the organization. In case of non-compliance they impose penalties and fines.

The latest development in the field of ISO 14001-certification shows that more and more local authorities have left their traditional image of "important stakeholders" because they have started to implement the ISO 14001-certified EMSystems in-house.

### 1. Local Authorities

"The city or town is both the largest unit capable of initially addressing the many urban architectural, social, economic, political, natural resource and environmental imbalances damaging our modern world and the smallest scale at which problems can be meaningfully resolved in an integrated, holistic and sustainable fashion... Local government is close to where environmental problems are perceived and closest to the citizens and shares responsibility with governments at all levels for the well-being of humankind and nature. Therefore, cities and towns are key players in the process of changing lifestyles, production, consumption and spatial patterns" – is written in the Aalborg Charter of European Cities & Towns Towards Sustainability, signed by the representatives of the European Municipalities in the year of 1994. The European Sustainable Cities & Towns Campaign as well as the Local Agenda 21 have initiated numerous projects on the development of appropriate EMSystems for local authorities.

Specific indicators and instruments were developed including those for collecting and processing environmental data; environmental planning; regulatory, economic, and communication instruments such as directives, taxes, and fees; and mechanisms for awareness rising, including public participation. New environmental budgeting systems were established and various programmes for environmental protection were undertaken. These measures, together with the implementation of the EMSystems by local authorities, have brought positive results in general concerning, for example, the measurement of environmental performance and reduction of operative costs.

Usually the municipality identifies one or several of its departments, like transport, procurement, and IT services, and implements an EMSystem initially in these entities. Once the EMSystem has been successfully implemented, it can be rolled out to other entities or groups using similar documents and training materials. The concept of "fence lining" an EMSystem within an organization has gained acceptance recently where organizations – like municipalities of the cities – are so large that trying to design and implement an EMSystem for the entire organization would be cumbersome.

The scale of the EMSystem of the local authority depends on the level of responsibility that this authority is willing to take on. The smallest scale is the environmental management of a municipality's buildings (**promotion of eco-offices** with measures for reduction of energy and water use, reduction of solid wastes, promotion of recycling, green procurement, appropriate control of chemicals); the medium one is environmental management within all the municipal departments (**promotion of eco-projects** like usage of environmentally-friendly materials and equipment, accelerate usage of recycled materials, green public engineering works, development of green technology), and, finally, the largest scale is the application of the EMSystem at the whole city or town-area (**green city planning** like setting 'green' guidelines for public works and housing, enhancing public transportation, and capacity building).

The Council of European Municipalities and Regions, Eurocities, the Healthy Cities network of the World Health Organisation, the International Council for Local Environmental Initiatives, the United Towns Organisation (UTO), and the Expert Group on the Urban Environment of the European Commission all support local governments in their activities to implement a standardized EMSystem. A total of 650 local and regional authorities from 32 countries across Europe representing more than 130 Million European citizens have committed themselves to local sustainability by signing the Aalborg Charter.

Cities, towns, and regions from all over the world have already implemented a standardized EMSystem: Sydney in Australia; Aalborg in Denmark; Toronto, Calgary, and Hamilton in Canada; Vihti in Finland; Hong Kong in China; Jesolo and Turin in Italy and others. The EMSystems are implemented both in small and in large cities; in towns like in Uhldingen-Mühlhofen of 6,000 people, Kehl with 30,000 inhabitants, Augsburg with 250,000, and Hannover with a population of more than 500,000 citizens. In January 2000, the US Environmental Protection Agency together with the Global Environment & Technology Foundation issued "The Environmental Management System Pilot Program for Local Government Entities" (GETF 2000). Nine government entities ranging in size and operation from the 15-person Londonderry, New Hampshire Department of Public Works to the 1,700-person Capital Programs Management staff within the New York City Transit Authority have participated in the pilot project and successfully implemented EMSystems.

The European Commission has adopted the Communication COM(2004)60 "Towards a Thematic Strategy on the Urban Environment" that will reinforce the environmental contribution to the sustainable development of urban areas and will urge all European cities with more then 500,000 citizens to implement an EMSystem. The only way for municipalities to show the implementation of the required EMSystem is to obtain an ISO 14001-certification or EMAS-registration.

The EMAS is a Europe-wide initiative set up to encourage a range of entities, including both the private and the public sector, to improve their environmental performance. Much like ISO 14001, EMAS regulations require formulation and implementation of an environmental policy with commitment to continuous improvement; establishment of an environmental management system and procedures for monitoring and verifying its compliance; and conduct of environmental audits and site-based environmental statements. EMAS requires third party verification of all statements, and public access to information. EMAS-qualified sites must show evidence of a management system such as that contained in ISO 14001, as well as evidence of improved environmental performance and auditing activities. It must also issue a public statement of its objectives and targets, establish a register of significant environmental effects, and pledge to use best available technologies, items which are not required in ISO 14001.

Many of the United Kingdom's municipalities have adopted the EMAS, which has given the country considerable experience in EMSystems. A special local government programme was developed and named the Local Authority Eco-Management and Audit Scheme (LA-EMAS). The implementation of EMAS did not result in the immediate overall improvement of environmental situation in EMAS cities and towns. On the contrary, some targets were not reached and the indicators have shown, for example, an increase in energy use. The experience of the English cities and towns has shown the complexity of environmental management at the municipal level, the difficulty of setting environmentally-oriented measurable objectives and targets as well as the benefits of the developed system of environmental performance measurement and of the EMAS-obligation to report environmental performance – good or bad – to the public.

In addition to international organizations and agreements, there are also other driving forces that require local authorities to establish a certified ISO 14001-EMSystem. The Olympic Games, the Goodwill Games, international exhibitions and fairs, sport championships, and other large international events require nowadays sound environmental management not only from the management of the locations of events, like swimming-pools or exhibit halls, but also from the municipalities of the cities and towns where these events take place.

City municipalities or regional authorities may also wish to decorate their EMSystems with internationally accepted ISO 14001-certificates in order to send a clear message to tourists, investors, and citizens that the city or region has a strong commitment to environmental management. For example, the municipality of Copenhagen has set the goal of making the city *Europe's environment capital*. One of the means of achieving sustainable development is green audits, which the City of Copenhagen prepares for all its activities. The audits map the overall consumption of electricity, water and heat in council-owned properties, and it is an instrument in the political debate about ends and means regarding all relevant environmental factors - from council acquisitions, the employees' use of bicycles as a form of transport, to major building investments. The City of Copenhagen is also in the process of introducing environmental management in line with the EMAS.

The government entity with an ISO 14001- or EMAS-certified EMSystem can act as a leader or mentor to industries in the city or region. A number of Japanese cities have already started implementing EMSystems as a means of increasing efficiency in the delivery of day-to-day services and encouraging society to assume more environmental responsibility. The Tokyo Metropolitan Government, Itabashi Ward of Tokyo, Shirai City and Gifu Prefecture have all obtained (or are in the process of seeking) ISO 14001 certification. Cities that have already certified to ISO 14001 report increased acquisition of ISO 14001 certification by businesses in the region (Srinivas & Yashiro 1999).

The active and proactive environmental-oriented policy of local authorities and municipalities finds strong support from the national government. The government is not only responsible for the development and maintenance of state environmental policy, but also for implementation of ISO 14001- or EMAS-based EMSystems within its own bodies

### 2. Governmental Bodies

Governmental organizations significantly impact the local environment because of their size, geographic distribution, range of activities, and resource expenditures. They play an important role in the process of developing, establishing, and dissemination of EMStandards. In many countries, the national standard-setting institutions are not private organizations, like the ISO itself or the DIN in Germany, but belong to the state. The representatives of national standard-setting bodies take part in the regular meetings of technical committees of the ISO and work in their host-countries on the translation, editing, and promotion of international standards. Governmental organizations conduct environmental audits, educate, and register the environmental auditors. The certification of the EMSystem is often a requirement nowadays for companies that participate in the tendering of larger state contracts. The state contributes therefore a lot to the dissemination of EMSystems among the organizations of public and private sector.

In 1996, the U.S. Congress adopted the National Technology Transfer and Advancement Act, which requires that where international standards exist, federal agencies must use them instead of creating their own standards or requirements. In the year of 2000, the North American Working Group on Environmental Enforcement and Compliance Cooperation released final revisions to a draft report addressing compliance management elements for EMSystems. The position of the EWG was that governments must retain the primary role in establishing environmental standards and verifying and enforcing compliance with laws and regulations. While the EWG recognized the primacy of government, it also stressed that implementation of a comprehensive EMSystem should improve an organization's overall environmental performance.

As part of the Clinton Administration's efforts to ensure that agencies improve their performance through more effective management, the expectation for EMSystem implementation in federal agencies and departments was incorporated in the year 2000 into Presidential Executive Order 13148. The order requires all major federal facilities to develop and implement an EMSystem by December 2005. Although the order did not specify whether or not ISO 14001 as it is could be a worthwhile use of American taxpayer dollars in imposing it on all federal facilities, the standard was, nevertheless, the most readily recognizable model and the order included all of the desired elements outlined in ISO 14001. To date, nearly 200 U.S. federal facilities have EMSystems modelled after ISO 14001 in place – with many more developing agency policies, training, and EMSystem implementation tools. Twenty facilities have had their systems third-party certified. The Environmental Protection Agency, the National Aeronautics and Space Administration, and others are developing resources that other agencies can use to implement EMSystems. In 2002, the White House Office of Management and Budget also revised its budget guidelines to include provisions for EMSystem implementation.

The greening of government operations is a strategy that has received a great deal of attention also in the United Kingdom, where the implementation of EMStandards based on ISO 14001 plays an important part in efforts towards sustainable development and within national environmental programmes. The UK Department of Environment, Transport, and the Regions has developed a model policy statement for government departments to help them develop their own strategies for greening operations. This model policy statement lists implementing an EMSystem or extending an existing EMSystem and achieving the ISO 14001-certification under the suggested aims of the government department. The UK National Health Service, which employs approximately one million people and is the second largest item of central government expenditure after social security, has developed a computerized ISO 14001-based EMSystem called GREENCODE. GREENCODE was designed to deal with the complexity and interactive nature of an EMSvstem and to provide a common approach to resource use and environmental impact control across NHS hospitals and facilities. The UK government has also suggested that all departments should begin implementing EMSystems with a view to extending them across their domains. Several UK government departments currently have organizations that are certified to ISO 14001, and many more are in the process of implementing an EMStandards (NATO 2002).

The Canadian government has also undertaken a greening government initiative. EMSystems and their ISO 14001-certifications are identified as one of several best practices that could be applied to government departments and agencies as part of this effort, and they are recognized

as a key tool for achieving the goal of sustainable development. The governmental report notes that implementation of the sound management practices embodied in ISO 14001 would lead to significant improvements in environmental protection (NATO 2002).

Sweden has 66 central government agencies actively implementing EMSystems, including all 13 ministries. The aim is to roll out EMSystem implementation to all 300 agencies and government companies within the next three years. The scope of implementation covers direct and indirect effects arising from policies, decisions, and ordinances. EMSystem's implementation is also being linked to planning processes and quality management programs. Local authorities in Sweden are particularly active in environmental management and are linking the implementation of standardized EMSystems with their work on Local Agenda 21.

Japanese national and local government units are also pursuing ISO 14001 certification. The state Environment Agency was the first governmental body having implemented an ISO 14001-EMSystem in all its departments. In addition, local governments are studying the introduction of ISO 14001 requirements into regulations, possibly using a tiered performance system similar to those being suggested for use in the United States.

Among governmental bodies, ministries of defence in different countries are also actively involved at the process of implementation of EMSystems. Their participation is probably the most remarkable and important achievement of the current politicization of EMStandards.

# 3. Military Sector

The military sector includes the armed forces and the defence administration responsible for supporting military activities and uses a wide variety of materials (weapons, aircraft, ships, armoured and other vehicles), real estate, and land. The military sector's environmental impact often outweighs that of most other government departments. Given this, ministries of defence and armed forces, in particular, should have an EMSystem, as it is the best way to both protect the environment and maintain operational readiness. (NATO 2002: 7).

Major General E. N. Westerhuis, Coordinator of Physical Planning and Environmental Affairs of the Dutch Ministry of Defence, said in his opening speech with the introduction of the NATO Pilot Study on Environmental Management Systems in the Military Sector on 7 May 1996: "Defence is part of society and should play its role with respect to good environmental management. As part of the government itself, Defence should set a good example with respect to environmental matters and should demonstrate how environmental degradation can be prevented. Defence has an obligation to minimise the environmental damage caused by peacetime military activities. The environment should concern everybody including managers and individual soldiers. The responsibility must lie where the environmental impact is caused, for example, with the individual soldier or unit commander" (NATO 2002: 23).

The pilot study of the NATO-Committee on the Challenges of Modern Society underlined that the role of the environment in the military sector is complex. Defence organisations are increasingly bound by national and international legislation and regulations to protect and conserve the natural resources of defence lands, and to act in an environmentally responsible manner. The study concluded that it is possible and even desirable to implement EMSystems in the military sector and to use the ISO 14001 standard as a framework for further work in Belarus, Belgium, Canada, Czech Republic, Denmark, Estonia, Finland, Georgia, Germany, Hungary, Italy, Latvia, Lithuania, Moldavia, the Netherlands, Norway, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, the UK, and the USA (NATO 2002). The final Pilot Study Group report offers both initial assistance as well as quidelines for application of ISO 14001 in the military forces of NATO and of NATO Partnership for Peace countries. It also requires ISO 14001-certification of their suppliers. The decision for this EMStandard was made because: 1) it is the most recent standard and the only standard that is recognised worldwide; 2) it can be easily added to the ISO 9000 quality management standard already used by NATO forces; 3) it has already been adopted by several NATO and PfP countries; 4) is probably the most attainable standard as other standards demand a little more organisation and output; and 5) it is user-friendly when used with the ISO-14004 guidance document.

The Office of the Secretary of Defense of the United States has also recognised the potential of the ISO 14001-certified EMSystems to improve the Department of Defense's mature environmental program. After holding a symposium with industry and key Defense officials from departments of the military, the Department of Defense agreed to implement ISO 14001 at approximately 15 installations to determine the benefits of adopting the principles of ISO 14001.

Pursuant with guidance issued under the United Kingdom's Greening Government initiatives and with the commitment made in the Secretary of State for Defence's policy statement published in 2000, the Ministry of Defence (MOD) is reportedly developing a framework for a MOD-wide EMSystem based upon ISO 14001. The EMSystem will bring environmental management up to the same standard throughout the department and ensure that the environmental impacts of MOD policies and operations are addressed in an efficient, effective, and fully co-ordinated manner. A guidance and procedures manual was produced in April 2001 to encourage and promulgate the EMSystem and all areas of the MOD have produced their own implementation plans (Sust\_dev\_uk 2003).

The Chief of Environmentalists recognises that any standardisation of the EMSystems in the framework of NATO countries would improve the integration of sustainable development into military activities. The initiatives of the ministries of defence are important also from the other perspective: not only "civilian", but also military manufacturing companies can now implement EMSystems and get ISO 14001-certification. The environmental audit of military contractors was not undertaken before mainly because of two reasons: on the one hand, military production is a strict state secret and its audit by an independent consulting firm as well as the publication of the audit results could not be allowed; on the other hand, independent auditing firms have excluded the enterprises involved in armaments, tobacco, alcohol, and commercial gaming from the list of their clients because of ethical considerations. Due to the politicization of EMStandards, the situation in the military sector has changed and the companies whose production is allowed and supported by the state can implement an EMSystem and seek the internationally recognized ISO 14001-certification.

#### Conclusions

This paper has analyzed the current stage of development of the ISO 14001-certification process, which can be called a "politicization" of EMStandards because of the active involvement of local authorities and governmental bodies in it.

It was founded out that organizations implement ISO 14001-based EMSystems because they provide them with a balanced approach for management of environmental aspects and impacts of production, service, and other activities. However, immediate improvement of environmental performance cannot usually be achieved with the implementation of the EMSystem. Still, both the internal and external benefits from it are long-term and its primary goal is not for a single-period, but the continual improvement of the environmental performance of an organization. In contrast to the benefits from the ISO 14001-EMSystem, those of the ISO 14001-certification can hardly be measured. The certificate is a powerful marketing tool, which is a way to demonstrate to regulators, the public, customers, industries, and all other interested parties the commitment of an organization to sustainable development and the soundness and credibility of its overall policy.

The politicization of EMStandards in the form of the growing number of ISO 14001-certifications of municipalities and local authorities has created new conditions for the organizations in the region. **Firstly**, the organizations with ISO 14001 can now speak the same language literally with the local authorities and hope to find a much stronger understanding and support in their environmental-oriented activities. The implementation of EMSystems both by the authorities and by manufacturing companies can, for example, prevent the so-called "industry flight" and provide a stable social and economic development of the region. **Secondly**, small- and medium sized enterprises can now achieve real benefits not only from the implementation of the EMSystem, but also from ISO 14001-certification, although they are not involved in international trade and do not belong to any transnational corporation. **Thirdly**, due to the politicization of EMStandards, the environmental standardization has left its original area, the business sector, and has now been adopted by all of society: schools and universities, bakeries and breweries, slaughterhouses and paint manufacturers, hotels and oil extractions, soap manufacturing facilities and paper mills,

pharmacies and repair garages, police departments and prisons, museums and theatres from all over the world have implemented ISO 14001-certified EMSystems. **Fourthly**, broad cooperation of businesses, local authorities, and the public in the management of the environmental impact of their activities is an underlying "*common denominator*" for the developmental processes that lead to the creation of collaborative networks that are beneficial to local governments in working on the continuous improvement of the environmental performance in the region.

Quite a numerous number of organizations whose production is allowed by the state have stayed apart from the ISO 14001-certification-movement of the late 1990s because of the secrecy of their production or of the ethical considerations of audit companies. Due to the politicization of EMStandards, it is possible nowadays to certify companies also from the military sector. Therefore, the establishment of EMSystems and ISO 14001-certification is open now for any organization. The number of certified firms will increase rapidly in the next few years.

The united efforts of industry, business, municipalities, state organizations, and the community to manage the environmental performance of their activities using EMStandards and running therefore "at least twice as fast as possible" is a unique social, political, and economic phenomenon which shows the real needs, aims, and priorities of modern society and fills one with confidence in the sustainable protection of the local and global environment.

#### References

- Charter (1994): Charter of European Cities & Towns Towards Sustainability, approved by the participants at the European Conference on Sustainable Cities & Towns in Aalborg, Denmark on 27 May 1994.
- EMAS-II (2001): Community Eco-Management and Audit Scheme (EMAS) Regulation (EC) No 761/2001 of the European Parliament and of the Council of 19 March 2001.
- Gelber, M. (2004): BS 8555 case study! BEST Conference, Brussels, 10. 02.2004
- Hamschmidt J. and T. Dyllick (2002), "ISO 14001: Profitable Yes! But is it Eco-effective?" Greener Management International 34: 43-54
- ISO (2004): ISO publishes improved versions of ISO 14000 environmental management system standards, 15 November 2004, Ref.: 940. <a href="https://www.iso.org">https://www.iso.org</a>
- ISO 14001:2004. Environmental Management Systems, Specification with Guidance for Use.
- ISO Survey (2004): The ISO Survey of ISO 9001:2000 and ISO 14001 Certificates, Geneva.
- Morrow, D. and D. Rondinelli (2002), "Adopting Environmental Management Systems:

  Motivations and Results of ISO 14001 and EMAS Certification", European Management
  Journal 20(2): 159-171.
- NAPA (2001): National Academy of Public Administration (2001).
- NATO (2002): Pilot Study on Environmental Management Systems in the Military Sector NATO-CCMS, Report No. 240
- OECD (2004): Roundtable on Corporate Responsibility: Encouraging the positive contribution of business to environment through the OECD Guidelines for Multinational Enterprises. BACKGROUND REPORT June 2004.
- Srinivas, H., Yashiro, M. (1999), Cities, Environmental Management Systems, and ISO 14001: A View From Japan, Tokyo.
- Sust\_dev\_uk (2003): http://www.sustainable-development.gov.uk/
- Welch, E., Ashish, R., Yasuhumi M. (2004): The Promises and Pitfalls of ISO 14001 for Competitiveness and Sustainability: A Comparison of Japan and the United States, in: Greener Management International, 44, Special Issue on Sustainability Performance and Business Competitiveness, p. 59-73