



SUSTAINABLE GROWTH, REAL ACTION OR GREEN MARKETING?



BY **DIMITRI LORINGETT**

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«**O**f the many current issues of global concern, climate change could be rated as the ‘hottest’ – in every sense. Legions of worried citizens are calling on authorities all around the world to take action, but what about corporate and individual behaviours? Today we find many inflections of the buzzword ‘sustainable’ – in agriculture, building, economy, and finance, to name just a few – and an abundance of related initiatives, but are they substantiated by tangible actions?»

Prof. Seele, could you explain what greenwashing is?

«The traditional definition says that greenwashing is misleading and disinformation of an organization so as to present an environmentally responsible public image. At USI we have expanded the definition by adding that, next to the instrumental disinformation, greenwashing requires an accusation by a stakeholder. Just like the German saying: “Wo kein Kläger, da kein Richter” (no plaintiff, no judge). In a recent article, my co-author Lucia Gatti and I call this the ‘accusation-based definition of greenwashing’. The term certainly comes from the corporate world, but the issue concerns also governments, administrators and even individuals and consumers. Often we also see phenomena such as ‘cognitive dissonance’ leading to misleading green messages. The intention however does not necessarily have to be manipulative. Sometimes it is just human sloppiness and ‘the easy way out’.

Besides the negative connotation that comes with such a label, do you think that, with the current climate change hype, “green” marketing could actually lead to tangible actions?

«Yes, an accusation of greenwashing can be seen as a stigma – although we have found that consumers tend to forget quickly. Regarding the challenges for the environment and biodiversity, green communication alone does not do the job. According to our findings, weak or ambiguous regulation invites to engage in greenwashing approaches, whereas clear and understandable rules prevent them. Tangible actions therefore will not come from a greenwashing accusation, but – ideally, at least – such accusation may lead in open discourse of a deliberative democracy to more suitable regulation».

The WEF summit in January focused on sustainable development. How can you distinguish between real commitment to sustainability and greenwashing?

«The most tangible criteria is deeds instead of words, walking the talk. So far, the WEF is positioned more on the ‘words’ side. Nevertheless, is it enough today to keep talking and talking? There is generally a lot of hot air in the public WEF activities. About the private activities behind the walls in Davos, where private individuals and companies pay enormous amounts of money to participate or host a party, we cannot tell. This remains the secret of WEF, therefore the suspicion of greenwashing cannot entirely be removed given the theme of this year’s WEF, “Stakeholders for a Cohesive and Sustainable World”, which leads me to suggest that with the WEF we can find a new form of greenwashing: Stakeholder Washing. The WEF founder Klaus Schwab claims to have invented the “Stakeholder Theory”, which is not correct, as I have shown in a comment on the Swiss news platform infospember.ch, which was confirmed also by several scholars from the U.S.. So, overall, we might say that the next step would be to make the discussion more democratic and transparent, to really live up to the big words and remove the suspicion of greenwashing. Or, in the words of Greta Thunberg’s opening speech at WEF, “...or worse than silence: empty words and promises which give the impression that sufficient action is taken”.

You just concluded an SNF project. What did you find out? What did the project produce?

«Most research on greenwashing focuses on the business to consumer (B2C) perspective, as consumers tend to pay higher prices for green and responsible products. If they overdo the misleading information, this might create a backlash and reputation damage for

the company or retailer. In the SNF project, we changed perspective and analysed how a greenwashing accusation affects the business-to-business (B2B) relations on the supply chain. Therefore, we shifted the focus of analysis to the locus of greenwashing. We found that the locus has an impact both on moral categories such as ‘blame’ as well as on economic categories such as the willingness to invest. Hence, we found a new form of greenwashing, called “vicarious greenwashing”, when the behaviour of a supplier is in breach with a company’s claim of sustainability. I would also like to mention that the research project was successful insofar that it allowed for both the post-doctoral researchers working on the project to obtain professorships in Switzerland and France and now pursue their investigation on the subject of greenwashing at an international school».

In the realm of business claims that so far have had more to do with form than with substance, corporate social responsibility now appears to have become an essential element for genuine business and economic growth...

«Actually, in many cases we are still far from tangible results and still in the domain of lip service. This is bad for at least two reasons. First, if there is no credibility and trust in the claims, the opportunity is missed to actually improve something. Instead, trust erodes further and this is not helpful for a flourishing business environment. Secondly – and if I may say so tragically, a number of companies really mean it and go the extra mile to be responsible and sustainable. But if the general perception is under the impression of window dressing, those who really does it are punished twice; they take the extra burden to be sustainable, which does not come for free. Moreover, they are considered being part of just another fake green

company, if the majority perception is that most do greenwashing instead of seriously walking the talk».

In a recent article published by the Neue Zürcher Zeitung you raised the question of sustainability becoming unethical. Could you elaborate on this?

«One of the most intriguing and puzzling paradoxes is the link between sustainability and freedom. In the long run, understanding free market societies based on unrelentless growth does not work. When the first cities and cantons in Switzerland officially announced 'climate emergency', I felt that it was as hypocritical as legally the state of emergency in political philosophy comes with emergency legislation, as known in the case of natural disasters by supreme power or crisis situations like revolutions. Fortunately, we do not have any of those now. However, officially announcing the state of emergency to symbolically communicate that officials and governments tend to take climate change seriously, is dangerous as this undermines the freedom of liberal democracies. We should not sacrifice this freedom for symbolic actions. Sacrificing – or just opening the door to this restriction of liberal democracies – even if it is for a good reason, can be considered unethical. Indeed, that is why I argue that sustainability can become unethical, although the intentions seem to be good in the first place. Do we want to live in a free world with negative impacts on the planet? Or in a sustainable world – if at all possible – that cannot be achieved, in my view, without a quasi-totalitarian regime enforcing sustainability? Non-rigorous sustainability implementation is hypocritical – or just naïve or opportunistic – and thus is greenwashing, as there are funds and programs promising a market for sustainability. That is the inconvenient truth, I would say».


“Legions of worried citizens are calling on authorities all around the world to take action, but what about corporate and individual behaviours?”

Do you see a connection between greenwashing and fake news and democracy?

«Absolutely. The standard definition of greenwashing mentioned above builds on the concept of 'disinformation'. Although it has only been a few years since debate we have been observing the issues of fake news and alternative facts in the public debate, I would argue that by not speaking up, by accepting anything as is, we are accessory in a general culture of power games that undermine open discourse and competition of ideas as the foundation of a vivid and functional democracy and free market economy. As greenwashing has been around since the 1980s, it somehow paved the way for the current crisis of open democracies as we, the consumers, accepted the window dressing and green lies little by little, and thus have little by little weakened the power and functionality of democracy».

So what is the future of Greenwashing?

«The green and sustainability issues – as urgent as they are – have become rather mature. Regulators regulate more and more, companies communicate and advertise their products and services and consumers keep on buying, green and non-green. But what happened with the green movement that lead to greenwashing happens again today with the digital transformation, where we find topics like machine-washing or ethics washing, when digital platform companies present themselves as responsible or ethically informed. Recent academic research has found that artificial intelligence (AI) ethics boards are just a smokescreen preventing upco-

ming regulation. That is why it is called "ethics-washing". Whether one likes it or not, misleading instrumental communication seems to be part of human nature. But then, so is being a watchdog and promoting credibility and unveiling any deceptive communication». 



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