IÖW Summer Academy 2004 Sustainable Corporate Governance

Civil society's influence on sustainable markets – an entrepreneurial approach

- Civil society is an important actor to influence corporate strategies.
- The stakeholder approach is often used to describe the influence.
- Corporations react (mainly) by sustainable elements in their strategies and by communication.
- Production practices might be altered to fulfil public demands.

But:

- Product strategy is of higher resistance against public demands
 as far as there is no pressure from the mainstream demand side.
- Innovative niche products fulfilling new needs of customers are often produced by innovative startups, e.g. green firms serving the organic food sector.
- The structure and motivation of green firms and their role in business will be discussed in this paper.
- We start with a look on an empiric research covering 50 startups in organic food.



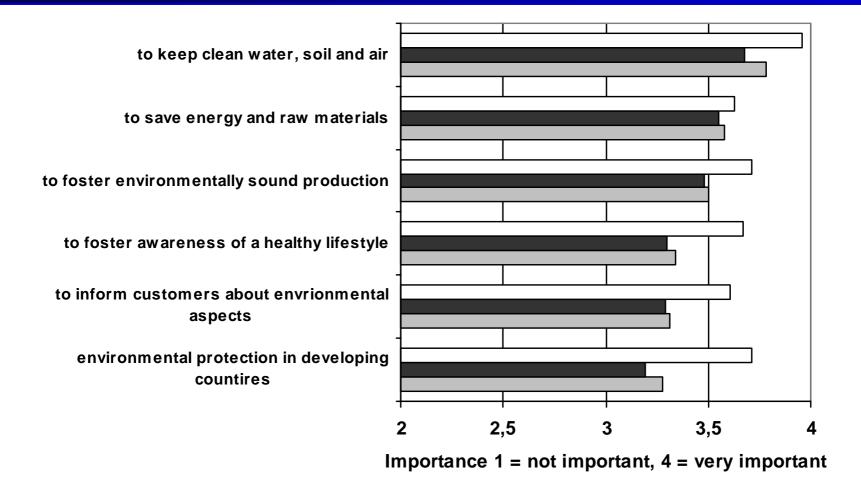
	USA	Northern Europe	Germa ny	Total
70 th and before	1	4	1	6
80 th	6	1	4	11
90 th	7	10	12	29
2000 and later		2	2	4



Task	Very import ant	Import ant	Undeci ded	Less or Not import ant	No answ er
To increase organic food consumption and farming I saw the need for products/production	24	12	3	10	1
I saw a business opportunity in rapidly growing green markets	16	18	4	11	1
I was already employed in that business and wanted to become independent	7	4	2	36	1
I was in personal trouble, e.g. unemployed	0	3	1	44	2



	1	2	3	4	5	
Profits are important to sustain the company	19	12	13	1	3	Personal profits are an important reward for me
High sales have a positive impact on society, and they are a personal success	22	9	14	0	3	Personal profits are an important reward for me



■ BMU 2000 ■ BMU 2002 □ Green Entrepreneurs



Have you been involved in the environmental movement?	USA	Northe rn Europe	Germa ny	Total
Yes, Some time ago	5	7	7	19
Yes, still today	5	4	5	14
No	4	5	6	15
Total	14	16	18	48

basic seed producers certified Seed producers

bio-dynamic Agriculture

crop-producing farmers

bakeries

clients

ecological seed trade

Association for Nature Conservation Germany Supporters

holding

Association for Goetheanistic Research

Seed Production Company

Grain Breeding Company

Association
of biodynamic
plant breeders e.V.
ecological
breeding research

European Consortium for Organic Plant Breeding Association for

Plant Breeding

conventional breeding research

Federal Centre for Breeding Research

> Genebank Gatersleben

Foundation for the Future of Agriculture

private benefectors

donators

other foundations

Federal Ministry of Consumer Protection, Food and Agriculture

EU

Federal Office of Plant Varieties

Agricultural Administration



	USA	Northern Europe	German y	Total	Fruit&Veg Firms
Loss	4	1	2	7	2
Break- even	2	5	5	12	3
small profits	5	9	11	25	18
good profits	2	2	1	5	10
No answe	1			1	1



