INTRODUCTION

BUSINESS AND SUSTAINABILITY: BETWEEN FREEDOM ECONOMY AND RESPONSIBILITY

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1. Business styles and sustainable development

In the last decades, the impact of economic activity on the environment has progressively increased, prompting a re-definition of the relationship between economic development and environmental protection by several parties.

The leading concept of such re-definition is that of sustainable development which, surpassing the idea of an incurable conflict between the economy and the environment, postulates the possibility of combining the two terms of the relation involving in such a change the whole social, political, and economic system.

In this book we want to investigate the role that the entrepreneurial world is called to play in order to achieve a sustainable society. This is a role that requires businesses to re-formulate strategies, activate new managerial tools, and open themselves towards the outside environment in order to dialogue with all the subjects interested in business.

In the debate on sustainable development, the realization that the industrial system can play an active role in the solution of environmental issues, through the development of competent planning skills, is progressively gaining importance. The complexity of environmental issues, whose solution cannot be delegated only to institutions, requires the action of the industrial sector in making available, to the community, its managerial, economic, and techno-scientific resources in order to face the challenge of sustainable development.

The firm becomes a responsible subject that looks for a business management model able to face problems concerning the environmental impact of its production activity. The firm integrates its technological progress and basic needs through ecological and economic objectives, combining less polluting production cycles, and recycling discarded production materials.

From the sustainability perspective, the goal assigned to business evolves to the replacement of the traditional idea of firm, from a subject exclusively inclined to the achievement of maximum profit for invested capital. The firm's task now involves its contribution to the realization of economic, but also sustainable, development able to both maintain itself over time and ensure that future generations have the same possibilities current generations have to satisfy their basic needs. The institutional goal assigned to business must comprise social and environmental objectives. With this perspective, the firm pursuing such objectives in an integrated way is legitimated to carry out its activity in its context, becoming a strength that contributes to the building of a sustainable economic model, implicitly acknowledging in the quality of natural environment an indispensable condition to guarantee economic and human development.

In the concrete world of business activity, the criteria of sustainable development is translated into managerial choices aimed at creating value added, looking for solutions that combine the principles of economic efficiency with those of environmental protection. Therefore, environmental protection represents both a constraint and an opportunity. It represents a constraint in the utilization of natural resources, the imposition of limits to pollution, and in questions of social acceptability of production plants. In a strategic vision aimed at the improvement of competitiveness and business image, it constitutes an opportunity as an incentive towards innovation, research for new products and processes, and the opening of new markets.

It is important to ask ourselves what are the motivations pushing businesses to adopt strategies compatible with environmental protection and the realization of social goals next to the economic ones. The understanding of such motivations passes through the consideration of the relationships they have with the multiplicity of subjects with whom they interact in exercising their activity and which their survival and development depend on over time. For example, positive employee relations can improve the efficiency of

production and distribution processes and reduce risks of trade-union conflicts that can cause the interruption of production. The acceptance of plants in a specific territory by local communities represents another motivation pushing businesses to dialogue and collaborate with citizens in order to reduce the costs of conflict situations. Reduction of conflicts with employees and local communities can represent for businesses a guarantee to attract financial resources from both the financial community and investors. Moreover, the absence of boycotting actions towards products and services by consumers and media represents a crucial incentive in order to steer business choices towards the adoption of sustainable business styles. These are some main factors contributing to the improvement, at medium-long range, of business competitive allocation since they are based on processes that require the combined action of different social actors, holders of specific interests, into a vision of fair and environmentally compatible sustainable development. Building sound and constructive relations with different social actors puts the firm in the situation of having to produce exhaustive and reliable information that integrates economic results with social and environmental impacts of the business. In this direction, the necessity of social and environmental reporting capable of integrating with a civil budget is taking place in order to deal with both an accurate marketing and management policy of the business and a response to a concrete need, emerging from society, of knowing and evaluating business performance under an ethical, social, and environmental point of view.
It is clear, therefore, that the context where firms operate is characterized by an increasing complexity determined by strong interrelations among different actors. There are citizens acting as investors, electors, and consumers. Then there are financial institutions, governments, local and international public institutions. Each of these actors is linked by a strict network of economic, social, and political relations that is necessary to put together with the objectives of sustainability through the sharing of coherent purposes and motivations.

2. Social, political and institutional context

The social, political, cultural, and institutional context has significantly contributed to influence the behavior of businesses on issues related to environmental protection. Public opinion and the institutional world, including more significant parts of the economic and entrepreneurial world, have assumed a critical position regarding economic development focused only on growth objectives with no attention to the negative implications on the quality of life that depends on the state of the environment.
This realization has origins in the 1980's, when the International community started, through serious thinking on sustainable and human development, a critical debate on the dominant development model supporting the economic dimension and the "quantity" of production and consumption in respect of any other social, cultural, and environmental factor.
During the Nineties, an increasing acknowledgment of the contribution the industrial system can bring to environmental protection without giving up its own role of wealth and employment production was advanced. Since traditionally, economic, environmental, and social objectives, in which the institutional goal assigned to businesses is articulated, are often antithetical, it is indispensable to define a sound, structured, and organic institutional framework able to motivate businesses towards green positions, both at national and international levels.
In other words, the attitude and attention of business towards society (man) and the environment needs to be supported and motivated within clear guidelines of economic policy and a defined system of rules identifying the most appropriate tools in order to achieve objectives of sustainability. In fact, the business attitude towards the ecological variable suffers clearly of social, political, and legislative restraints imposed on industrial activity.
Environmental policies must be integrated in industrial policies and economic tools, such as eco-incentives and eco-taxes, beyond the traditional direct regulation, should be implemented. In such a process, international treaties and regulations, such as those in Europe that lead countries to standardize their legislation, become more and more important.
In the last several years, some important guiding documents for the entrepreneurial world have been formulated at the International level in the direction of a greater flexibility and self-regulamentation. Among them we want to highlight: the tripartite ILO Declaration on Multinationals and Social Policy (1997/2000), the United Nations Global Compact (2000), the OCSE Guiding Principles for Multinationals (2000), the

European Union Green Book on RSI/CSR (2001) and lastly the United Nations Norms on Multinationals and other business responsibility concerning human rights (2003).
This is the institutional context within which the 2002 United Nations Summit on Sustainable Development of Johannesburg finds its place. This meeting, differently from the Rio de Janeiro Summit held ten years earlier, acknowledges the strategic role of the entrepreneurial world in the achievement of sustainable development. In his speech during the Business Day, on September 1 2002, the UN Secretary Kofi Annan spoke of the need for a new alliance between the business world and society in the promotion of sustainable development, emphasizing that businesses don't have to wait for governments' decisions in order to take initiative in the field of sustainability. Already today, firms can voluntarily adopt sustainable processes and product standards, eco-efficient management systems, and involve their employees in information and education paths on sustainability issues. More generally, the entrepreneurial world, in order to continue to create development and profit over the long term in an increasingly complex and hostile economy, is asked to deal with such social and environmental challenges in a dynamic and pro-active way.
The UN Secretary General's invitation has been positively received by an increasing number of businesses. At the conclusion of the Summit, they identified in the *Business Plan for Action* four lines of action for their commitment in the promotion of sustainable development (see the World Business Council for Sustainable Development web site, www.wbcsd.org):

- Sustainability as opportunity for business. To begin research and new production modalities that focus on quality, and not only on the quantity of goods and services; implementing the eco-efficiency principle means to produce the same goods and services using less natural resources and reducing polluting emissions and waste, which represent for the company an value added that can be spent on the market, mainly in the rich societies of the North hemisphere where the care of the environment is significantly growing.
- Responsibility as basic standard for companies that ask to be judged. The undertaking of a new and stronger environmental and social responsibility has a direct economic value since it represents a strategic variable supporting long term competitive positioning of the company. Examples are: ethical codes, social and environmental budgets, environmental management systems, products brands reflecting the sustainable style of the company.
- Accountability as an obligation that business assumes. The opening of structured and permanent communication and consultation channels with stakeholders on the territory can offer a contribution in order to set objectives, identify tools, and monitor results, supporting a better integration of the company in the socio-economic and local context.
- Partnership as a guiding principle. Synergistic improvement and cooperation with actors of civil society and labor unions allow common and shared projects to start to put together economic development, environmental protection and quality of life.

Such action lines present the double challenge that businesses are called to face. The first one is cultural. It concerns everybody as inhabitants of the earth and requires a change of mentality in the consideration of the natural environment. As the philosopher Edgar Morin notes "man is 100% nature and 100% culture", and it is this naturality of the human person that needs to be recognized and asserted. The second challenge concerns the managers, requiring a change in the way of doing business, re-planning process and product, restructuring organization models and relations with local communities in order to combine economic and environmental efficiency without giving up the business' own role of producing wealth and employment.

3. Ethics and Responsibility

The socio-political context and legislative framework are, therefore, unavoidable aspects in the definition of a more balanced relationship between industry and environment, aspects that require an accompanying choice of ethical and cultural character on the part of business. In fact, businesses are called to a progressive awareness on environmental and social responsibility in their sphere of activity, with the belief that social wellness and environmental quality are indispensable conditions in order to maintain their capacity to generate wealth over time.
Only if businesses, as active subjects in society, recognize their role and their responsibility in the promotion and protection of both human rights and the environment will it be possible to start a virtuous cycle tiding

tightly business prosperity with environmental and social quality. Such a path of sensitivity internal to the company represents an important occasion in order to make the company culture develop and understand economic freedom as responsible freedom; the ability to aggregate objectives of profitability, efficiency, and survival together with the broader goal of supporting human development. Then, it is necessary a responsible but also sustainable freedom, able to plan and realize a self-sustaining development without suffocating the possibilities of development for next generations.

In this perspective of responsible and sustainable freedom it is possible to consider the success of a business as a public good from where collective benefits come out and for which public institutions should play a supportive role promoting businesses to adopt voluntary tools supporting the undertaking of precise commitments towards society and the environment.

The assumption of environmental responsibility implies that the business system matures a culture of the environment able to transform the environmental variable, from a simple cost of management to a strategic variable, indispensable to obtain a competitive advantage on the markets. In other words, the firm is called to offer its contribution towards the protection of the environment, through economically convenient modalities able to combine the objectives of energy and natural resources saving and the management of waste and emissions with technological development and with the needs of survival and success of business system, in a perspective of the creation of value in the long and medium term.

In fact, it is not possible to keep separate sustainable development from the ways we want to support it and such ways imply choosing tools that broaden the spaces of freedom enjoyed by subjects operating in the society. It is in the context of economic, political, and social freedoms that sustainable development is inserted. Culture, education, adoption of voluntary tools in the entrepreneurial world are only some of the possible paths towards sustainable freedom, a freedom able to support human development, making it possible not only for today men, but also for future generations. These are paths that exclude turning to coercive tools and, at the same time, favor an active involvement of individuals towards the building of a new society for the future.

Therefore, in our thinking of the entrepreneurial world, the perspective of sustainable development refers to the concept of responsibility of a subject towards other subjects. A definition of social and environmental business responsibility can be deduced from the European Commission Green Book, 18 July 2001, “To promote an European framework on corporate social responsibility”, according to which business voluntarily decides to contribute to the progress of society and to the protection of the environment, integrating social and environmental concerns in business operations and in its relationship with stakeholders. It is a responsibility that goes beyond the respect of law to become a voluntary undertaking of precise commitments towards all those subjects who have an interest in the company activity: from clients to employees, from suppliers to shareholders, from public institutions to control authorities. In this way, the company activity finds a new social legitimization that, far from being based only on its ability to generate profit and jobs, grows and profits through the dialogue with all the subjects who, for different reasons, interact with the company, raising social legitimization as a crucial lever in strategic business management. It is the stakeholders’ issue to configure social and environmental business responsibility as a process of building a system of relations through which the company creates value that is translated in welfare for the community, and it allows it to save and increase the indispensable asset for its future development: its reputation. It represents a relational good allowing steering consumption and investment choices of socially responsible citizens who adopt a critical approach contributing to build the offer of products required by the market. Such subject is driven in his choices by ethical motivations, related to the research of a better quality of life, and focused on the intrinsic value of goods that have to be produced respecting human rights and the environment.

Therefore, in the perspective of sustainable development, the success of the company on a long term depends by its ability to create value for all interested parties. This value won’t be just economic, related only to profit results, but will understand social and environmental dimensions qualifying welfare not only in quantitative terms, meaning measures of the number of owned goods, but also, and for the most part, in qualitative terms, expressed by relations that man can build with his peers and with the natural environment which continuously evolves, looking for dynamic balance situations. Therefore, the introduction of ethical considerations in business management is justified by the re-discovery of the centrality of the human person in the development dynamics.

4. Business and eco-efficiency

The realization of social and environmental responsibility is expressed in operative, managerial, and technological choices representing a synthesized challenge with the key-word eco-efficiency meaning “to do more with less”, as to produce the same amount of goods and service utilizing less natural resources, through better efficiency in the use of both energy and raw materials, reduction of polluting substances emissions, and reducing production of wastes. In this perspective, economy and ecology are integrable since both are based on the same value: rational use of resources.

The factor characterizing and qualifying economic development under the sustainable point of view is quality of life. It is quality of life, the value added that companies can put on the market with a double positive result: to enlarge the margins of growth and therefore the profit for the company and reduce the environmental impact of production, distribution, and consumption.

The environmental dimension appears to transverse all business processes, from product development to production and distribution, from marketing to accounting, therefore it outlines several areas of application of eco-efficiency. Among those areas are: development of new products, development of new production processes, technological innovation, planning and management of the logistic-distribution system and industrial districts, and integration of eco-efficiency in business management.

There are advantages that firms can achieve adopting an environmental strategy: production processes using less energy intensity and less materials are rewarded with lower costs; greater profits are found from the sale of products able to reach new customer targets; image is improved; access to economic resources is easier; and risk for accidents and environmental sanctions is reduced.

To achieve such advantages firms have at their disposal a great range of tools for business management and to evaluate achieved environmental results. Such tools have an impact on different business functions (production, logistic management and provision, research and development, marketing and communication, organization and human resources). They comprise: evaluation methods on the impacts of products such as LCA (Life Cycle Assessment) and ecological quality certifications (ecolabel); tools that consider the whole firm such as the Environmental Management Systems (EMAS and ISO 14000) and related certification, Environmental Reports and Environmental Accounting.

However, it is important to emphasize that the socio-economic context in which firms act doesn’t always support the adoption of eco-efficient business styles. Obstacles come from the presence on the market of prices of goods and services that don’t incorporate environmental costs associated to their production and consumption and that are dumped over the whole society and future generations. Moreover, predominant consumptions habits in most advanced societies focus only on price and quantity. At the end, there is also the complexity characterizing scientific analysis of problems of environmental impact and their management; a complexity experienced not just by firms, but by all the social actors committed in the definition of priorities and most appropriate intervention modalities.

To balance out the above mentioned obstacles, a series of favorable conditions, such as stricter standards for waste disposal and polluting emissions reduction; improved consumers awareness about environmental issues that moves their attention towards products and services with minor environmental impact; the normative framework that, for example in the European Union, is evolving towards environmental policies requiring businesses to adopt a pro-active attitude, employing, for example, the directives on EMAS and Ecolabel environmental management.

The adoption of environmental management systems and related certification according to European and International standards represents a crucial factor in order to integrate eco-efficiency into a firm’s development plans. These are tools stimulating the continuing improvement of environmental performance and offering, to all the subjects directly and indirectly interested in business, suitable guarantees under the profile of the methodologies and contents since their implementation and their development are periodically verified by independent third subjects. From this point of view, environmental management systems, beyond being tools of internal management, represent a communication tool towards the outside world. They offer verifiable results that can serve to build a firm’s reputation, creating a point of strength in relationships with the net of external actors that have contact with the firm and strengthening the brand; both crucial factors in market competition.

The importance in promoting and providing incentives among all businesses, from small-medium to big firms, to adopt environmental management systems in order to steer the production system competition towards eco-efficient production is certainly clear.

5. Ethical Finance

In order to push firms towards greater social responsibility and respect for the environment, the role of ethical finance has been emphasized which allows investors to direct their savings towards responsible firms and, on the finance side, favors access to credit to those subjects that the traditional system would turn down since they don't own adequate real guarantees (Microcredit). By orienting investment and financing choices, ethical finance plays an education role, on one hand, towards investors who are stimulated in knowing the destination and use of their savings and, on the other hand, towards beneficiaries of the financing who are called to build business plans with responsibility.

The ethical finance approach offers citizens the opportunity to express themselves on the ways their money is managed. To guide such use according to precise ethical and solidarity values is an important tool to create wealth.

Motivations pushing investors to choose a responsible investment can be identified with reasons linked to a reference value system. These motivations are expressed in the desire to invest money only on specific activities that, for example, don't operate in sectors such as armaments or tobacco production or exploit minors; provides adequate returns; and finally minimizes financial risk through portfolio diversification. Thanks to the first level of motivations precise preferences of consumption and investment are affirmed since financial institutions operating in the ethical finance sector support specific productive activities and reject those that do not conform to social and environmental sustainability criteria. For example, criteria utilized to single out stocks inserted in ethical funds portfolios can include firms attentive to environmental protection, wastes recycling, International cooperation and development, human and employees rights. These criteria can also exclude the stocks of those firms operating in sectors such as armaments, pornography, and gambling. Saving choices focused on such criteria can put pressure on firms "from the bottom", steering them to adopt environmental and socially responsible behaviors in order to win over consumers and investors sensitive to ethical issues.

Ethical rating agencies have been created to evaluate sustainability in firms selected in portfolios with ethical investments. They collect, analyze and verify information that allows a judgment on the sustainability of the business activity. At the European level, the most famous agency is the Belgian Ethibel established in Brussels in 1992 as a no-profit association.

The phases of the screening process and ethical rating can be identified in three stages. The first is information gathering which uses a variety of sources; both internal, such as the firm's ethical code and social and environmental budgets, and external diffused by the media. The analysis of information is read according to precise criteria of social and environmental corporate responsibility. Finally the rating phase expresses the coherence of the business activity to the analysis criteria applied in the evaluation phase. Rating is based on identifying a profile of social and environmental responsibility and a final judgment representing the information useful for investors to make a wise choice.

The field of ethical finance in Europe has reached respectable dimensions. Globally, the market for such investments in 2004 was 336 billion Euro and assets managed investment funds was about 22 billion Euro, reporting a 62% increase from 2001 (source: Il Sole 24 ore, October 23, 2004). However, it is still acknowledged as a niche phenomenon, since at global level only 1% of the managed assets follow criteria of social and environmental responsible investments. Moreover, analysts are not yet able to demonstrate a direct relationship between social and environmental corporate responsibility and financial performance, even though they believe that firms' investment in intangible capital can produce long run returns for investors. Finally, under the risk-profit point of view, ethical funds should be more risky because fund creators choose from a restricted number of companies reducing the level of investment diversification. However, even if the related data are still insufficient, several studies confirm that their level of risk is in line with that of traditional funds since responsible firms take shelter from risks of big loss due to bankruptcy or huge penalties for environmental damage.

Ethical finance is used in the market by both traditional financial institutions and subjects, specifically oriented towards responsible management of financial resources, established with different identity and mission. In the first case, motivations that push traditional financial institutions to offer their clients ethical investment products are induced mainly by marketing choices and financial risk minimization, obtained through the diversification of tools. In the second case, experience creates a willingness for finance to regain the role of supporting real economy and support firms intending to produce goods and services whose production and consumption have a sustainable impact on the environment and, at the same time, a high social utility.

There is a debate over the question if ethical finance could coexist with traditional finance and about the coherence of the investment choices made by those investors who can keep ethical and non-ethical investment products in their portfolio. We need to understand if the offer of ethical products and the investment choice could hide, from the supply and demand sides, a so-called “green washing”, meaning the fact of cleaning of conscience through responsible investment tools. It is clear that continuing with this reasoning there is the risk to put intentions on trial, in this way loosing sight of the heart of the problem. Is ethical finance, as practiced today, efficient in achieving goals of sustainable development? What we can certainly say is that the experiences in progress can induce a change in the criteria of choice by both finance managers and investors. Also the criteria of verification of the expected results can change, setting off a growth in ethical awareness around social and environmental effects of the activities carried out by production firms and financial institutes. Under the stimulus of such process it is possible that even an activity that is not labeled with the term ethical could focus on the environmental and social consequences of its activity. In fact, everything not defined with the term ethical doesn’t necessarily mean it is non-ethical. A finance manager, for example, may adopt a policy coherent with the objectives of market allocation efficiency that includes: transparency in the behaviors and information offered to the clients; respect for legality independent from sanctions or the probability of being discovered; and abstention from dominant position. There also could be a banker going beyond such goals trying to extract costs linked, for example, to the risk of environmental damage that can have effects on the returns firms provide on their investments and therefore on the risks the firm assume. Each financial institution clearly has an ethical system that can be made explicit or maintained implicit.

The efficacy of ethical finance in the achievement of sustainable development objectives can also be measured through the engagement of financial institutions, representing the interests of shareholders in investment funds and ethical retirement funds, by exercising pressure on companies holding packages of stocks in order to convince them to adopt innovative policies and also become active shareholders. That could help them realize a more solid relation between finance and real economy, a relation less speculative and oriented towards the creation of resources for the production of goods and services useful to people.

The wish for the improvement of the efficiency of ethical finance remains that of transforming investors and finance managers’ initial and partial choices into a “modus vivendi et operandi” in order to become the mirror of a coherent business lifestyle looking forward to achieving sustainable development.

There is also a trend that in the past years is leading to a progressive orientation of the financial institutes towards finance and less towards credit. On the opposite, financial institution, that are born with a specific orientation towards ethical finance put more accent on credit, meaning giving trust to the financing beneficiaries in their ability to develop entrepreneurial activities aimed not at profit maximization but at the maximization of social utility through the achievement of a “fair profit”. These are institutes that, for the bond of trust that they try to build with their customers creates an activity close to the territory and therefore close to people. The presence of such institutes, that are generally small in dimensions, is also a guarantee of plurality on the financial market. Lately, in fact, financial market has undergone a phase of reorganization characterized by the presence of few huge banking groups, which have lost the link to a specific territory and operate with a homogenous offer of products and services reducing their diversification over different geographic areas. Particularly, the plurality of financial institutions allow financial resources to meet criteria of efficiency in order to increase the welfare of society in its whole, allowing investors to responsibly choose activities deserving of being financed with their savings. Variety is always a richness since it satisfies needs and achieves diversified results ensuring the civil growth of a society.

6. Book’s content

The Fondazione Lanza realized the present text following the studies on sustainable development. It is the result of studies and research carried out by experts participating in the Fifth International Conference on

"Ethics and Environmental Policies" on *Business Styles and Sustainable Development* held in Kiev in April 2003.

The book is articulated in four sections. All the papers in the book, with an International perspective, face important issues dealing with the definition of a conceptual framework useful to plan paths suitable to the implementation of the concept of sustainable development in managing economic activities despite of pressures, stimulus and constraints existing in specific socio-economic contests depending on the speakers' different nationalities.

The First Section is dedicated to the ethical dimension, corporate environmental and social responsibility, examined in three essays. In the first article, Emmanuel Agius, University of Malta, explores the possibilities of integrating the emerging sensitivity in the entrepreneurial world towards social and environmental dimensions with a coherent and convincing moral theory. The author claims that an agreement on shared moral principles can favor behaviors respectful of the environment and people, highlighting the strength of ethics in its ability to steer individual behaviors, be they simple citizens or representatives of institutions or entrepreneurs. In his paper, Agius lingers over the theme of intergenerational justice that has its roots in the theological insight of different religions.

Ebrahim Monajemi is the author of the second paper and presents a picture of the state of the art of ethics in "traditionalist" societies of the Middle East. His contribution is particularly interesting since it makes the reader aware of both the impact of the contemporary model of industrial development and the potential of sustainable development model in countries with cultural and religious traditions different from those of the countries where such models are born.

In the third article, Barbara Mazur of the University of Finance and Management of Poland emphasizes the different aspects of eco-development by presenting the costs that have to be borne by society if ethics in industrial life doesn't exist. She also wants to show how to fight against this lack of ethical principles at several levels of social life: State level, organization level, and individual level. The same considerations fit also the different levels of management: from activities taken up by government-appointed bodies, through organizations operating on the market, to individual techniques, implemented by the same employees in order to reveal cases of mismanagement.

The Second Section deals with the issue of those institutional mechanisms and rules necessary to obtain sustainable development putting particular emphasis on the need to face and solve problems related to poverty, phenomenon that is increasingly strangling not only most of the countries in the South of the world and the so-called countries in transition of Central-Eastern Europe, but also broad layers of population in developed societies. Stefano Zamagni, University of Bologna, is the first one facing this issue. He deals with the issue of fighting poverty after claiming that economics, in the light of the concept of sustainable development, needs to identify new categories of thought to deal with and solve the problems of equity set by this model.

He also claims that this is the other side of the coin of sustainable development since it cannot be achieved without improving the living conditions of the world's poor. The essay ends with the author's wish for the establishment of a World Environment Organization (WEO), able to overcome the limits of unilateral measures of single countries and the difficulties in realizing International treaties on global environmental problems.

Anil Markandya of the World Bank addresses the fight against poverty in Eastern Europe, in those countries that are experiencing a transition phase towards a market economy. His paper offers a general framework of the progress made by such countries concerning the Millennium Development Goals (MDGs), defined by the United Nations in 2000 as guiding principles for the achievement of a human sustainable development. In the second part, the contribution is enriched by a reflection on political reforms and investments necessary for the promotion, in these countries, of an economic growth of quality, able to guarantee the achievement of environmental and social standards in line with MDGs.

Sergey Bobilev of the Moscow State University is the author of the third paper dedicated to the economic evaluation of environmental goods, an indispensable tool to assist policy makers in their decision-making process and in the evaluation of intermediate and final results achieved during the transition phase towards sustainable development.

The Second Section ends with the essay by Yaroshchuk Yevegeniya of the Ukrainian Scientific Research Institute for Ecological Problems. The aim of his paper is to show the importance of Strategic Environmental Assessment (SEA) implementation on the way towards sustainable development all over the world and particularly in Ukraine.

The Third Section is specifically dedicated to businesses and, in particular, to business styles expressed through management, organization, operative, and technological choices reflecting a culture attentive to social and environmental sustainability. Particularly, eco-efficient technological solutions that allow savings in natural and energy resources are the focus around which Peter Hennicke from the Wuppertal Institute builds his contribution. His organization is the famous German Research Institute that produced important studies on theoretical and practical questions on sustainability such as “Sustainable Future” and “Factor 4”.
The second article of the Third Section is by Emilio Di Cristofaro, Vicepresident of the Galgano Group, Italian company of corporate consulting. It is dedicated to show the relevant role played by the industrial world in the promotion and realization of sustainable development and suggests some important changes in actual production processes in order to maximize the use of resources and minimize environmental impacts.
In the third article, Yuriy Fedoriv, Institute for Economic Forecasting National Academy of Sciences of Ukraine, analyses how Kyoto Protocol’s mechanisms allow reducing the GHG emissions in those countries that have lower costs for emission control such as Ukraine. As Ukraine has lower marginal costs for emissions control and International emissions trading is permitted, then the costs of controlling GHG emissions would be significantly lower, and all participants would be better off, including Ukraine. Therefore, the elaboration of economic mechanisms to encourage financial assets to introduce GHG emission reduction technology is very urgent for Ukraine, especially taking into account the needs of radical structural reconstruction of economies in transition.

Finally, the Fourth Section is dedicated to the description of good practices in different areas. The first focuses on strategies and programs concerning environmental quality and implemented in a microelectronics company (Borri).
The following case studies focus on policies and strategies for sustainable tourism with the description of experiences in Turkey (Bulent) and in Italy (Mazzi, Scipioni and Arena). The last investigation concerns agriculture and focuses on a sustainable approach in agriculture and environmental activities in the Italian context (Oliviero).

At the conclusion of the book there is the Final Document of the Conference synthesizing the reflection and the debate generated during the Conference, with the presence of 140 participants from the entrepreneurial, institutional, scientific, cultural, associative world, representing 21 European and extra-European countries. The Document recalls some general principles together with concrete action proposals in order to combine profitability objectives and business efficiency with broad objectives to promote human development and environmental protection. At the end of the Document there are some Reccomendations addressed to the International community to strongly support the transition toward sustainable development.

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