ADDIS ABABA UNIVERSITY

COLLEGE OF DEVELOPMENT STUDIES

CENTER OF ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

CORPORATE ENVIRONMENTALISM IN ETHIOPIA:

PRACTICE, MOTIVATION AND BARRIER

THE CASE OF LEATHER INDUSTRIAL FIRMS

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A THESIS SUBMITTED TO DEPARTMENT OF ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ART IN ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

OCTOBER 2020

ADDIS ABABA,

ETHIOPIA

ADDIS ABABA UNIVERSITY SCHOOL OF GRADUATE STUDIES
CENTER OF ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Corporate Environmentalism in Ethiopia:

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The Case of Leather Industrial Firms

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A Thesis Submitted to Center for Department of Environment and Sustainable Development,

College of Development Studies in Partial Fulfillment of the Requirements for the Degree of Master of Art in Environment and sustainable development

Declaration

Yohannes Ameha, do Hereby declare that this thesis is my original work and that it has not been submitted partially or in fully by another person for an award of a degree in any other university.

Name of participant   Yohannes Ameha   signature-----------------------------Date-------------------

This thesis has been submitted for examination with my approval as a university supervisor**.** **Name of Advisor: Engdawork Assefa, Ph.D**

Approval

The undersigned certify that they have read and hereby recommend to the Addis Ababa University to accept the Thesis submitted by Yohannes Ameha entitled “Corpoarte Environmentalism in Ethiopia: Practice,Motivation and Barriers c, the case of leather industrial firms”, in partial fulfillment of the requirements for the award of a Masters Environment and Sustainable Development

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Acknowledgment

I express my profound and deepest thanks to God Almighty who enabled me to get done this work successfully.

I wish to thank my advisor, Engdawork Assefa (PhD), whose unreserved help, suggestions and encouragement assisted me in the course of writing this thesis.

Lastly I acknowledge each of my interviewees for cooperation, my friends, class mate and work colleagues for their support and encouragement and those who provided me with the required information. I would also like to express my gratitude to all those who have not been mentioned in this thesis work but assisted me to complete this thesis.

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Abbreviations

CE- Corporate Environmentalism

CSR- Corporate Social Responsibility

GTP- Growth and Transformation Plan

SCP Sustainable Consumption and Production

SD- Sustainable Development

EIA Environmental Impact Assessment

EMP Environmental Management Plan

SRI Socially Responsible Investor

SHE Safety, Health and Environment

Abstract

A growing body of environmental management literature suggests that firms can gain sustainable competitive advantages by reducing the adverse impacts of their operations on the natural environment. Hence the purpose of the study is to explore Leather Industries Corporate environmentalism practices, motivations and barriers to reduce environmental degradation and effort to manage natural resource. The leather industries were selected because of that they are high consumers of raw material, natural resource and chemicals and with polluting effect. Moreover they are highly privatized and they have both local and international stakeholders which affects their motivation. This study paper is a qualitative case study research mainly constructed on qualitative data which shows the industry practice, motivations and barriers rather than quantified sources. The study mainly relies on the inductive research approach, which is based on empirical evidence and drawing general conclusions/building theories from the empirical observations, as findings are incorporated back in to existing knowledge (literature/theories) to improve theories. The unit of analysis of the study was focused on six leather industries and 3 Governmental institutions namely Environment, Forest and Climate Change Commission, Addis Ababa City Environmental Protection and Green Development Commission and Ethiopian Leather Industry Development Institute from Addis Ababa. Data was collected via interviews, site visit/observation, notes from informal discussions during visit and open-ended questions. Data analyzed the data considered data reduction, data display and conclusion drawing and verification. Results of the analysis showed that leather industries practices lack of Environmental policy, EIA as well as Environmental Audit, Water and energy efficient technology, and territory waste water treatment plan, life cycle assessment. Furthermore the result showed that Government legislation and public pressure are the main motivation that leads the leather industries to implement Corporate environmentalism . However, inadequate space (land), high cost, government failure were the barriers that hinder their CE implementation. Moreover, Furthermore, the leather industries corporate Environmentalism practices showed association with a, stakeholder theory, legitimacy theory, and institutional Isomorphism theories but not with a nature resource based theory. Accordingly, it is concluded that the leather industries have a huge gap implementing different corporate Environmentalism activities. It is therefore recommended that all regulatory bodies should strength the enforcement system and mechanism, Environmental awareness should provide in a continuous manner be to all Industries, industries should adopt Environmental Policy.

Keywords : corporate environmentalism, leather industry, environmental management, environmental problem, Addis Ababa, Ethiopia

Chapter One

1. Introduction

1.1. Background

With growing awareness on ecological issues and the magnitude of costs related, it has turned out to be basic for organizations to coordinate natural endeavors into their business system. There is a developing awareness among organizations on protection and optimum utilization of natural resources to gain competitive advantage (Hart, 1995). In such manner, a growing body of environmental management literature recommends that organizations can sustainable competitive advantages by decreasing the antagonistic effects of their tasks on the natural environment (Clarkson et al., 2011).

Corporate Environmentalism is presently recognized as a standard for sustainability of organizations. Successful treatment of environmental concerns is turning into a critical competitive issue and meeting sound business objectives and settling ecological concerns are not objectives (Hansen and Mowen, 2007).

Corporate environmentalism (CE) as defined by Jamison as ‘‘takes into account environmental commitment, whereby the company fully embraces sustainability and has a net positive impact on environment and society. Stakeholder engagement with full transparency and accountability and a process to engage and empower stakeholders is emphasized’’ (Jamison et al., 2005). (Jamison et al., 2005). Broadly CE can be described as ‘‘precautions and policies organizations adopt to reduce and prevent hazards to environment along with stakeholder participation to induce transparency (Kusku, 2007). It suggested for corporates being environmentally responsible as a result of its diverse advantages (Hansen and Mowen, 2007). With this acknowledgment and developing mindfulness, most polluting corporates have embarked Corporate Environmentalism.

Developing countries emphasize more on material well-being. Therefore, in the early stages of development, levels of compliance are low, and pollution is an acceptable side effect of economic growth. However, when a country has attained a sufficiently high standard of living, environmental legislation is passed, institutions for the protection of the environment are installed, compliance enforced, and the environment quality improves (Dasgupta et al. 2000)).

Corporate Environmentalism practices could lead to stronger competitive advantage, conservation of natural resources and reduce raw materials usage, create good corporate image and opportunity for innovation of new technology and product. Additionally, Corporate Environmentalism practices can benefit the industries in the form of lower operation costs, fewer risks to human and environment and more efficient operations (Rondinelli and Berry, 2000).

Some authors have considered that the degree of adoption of Corporate Environmentalism depends on a series of internal and external forces within the political–economical context in which the firms operate (Hahn, 1990; Menon and Menon, 1997; Langerak et al., 1998). These are external polity, which involves the intensity of the regulatory and institutional environment and consumer sensitivity to ecological ideals; second, external economy, which expresses the competitiveness and attraction of the green market targeted by the firm; third, internal polity, which encompasses management's sensitivity to environmental commitment, and fourth, internal economy, which is related to the structure of the organization and its specialization, centralization and formalization. On the other hand, the stakeholder theory has been profusely used to identify the groups or individuals that influence, or may be influenced by, the accomplishment of the organization's objectives.(González and González, 2006).

Corporate Environmentalism helps organizations can incorporate environmental issues into their operations in order to eliminate waste and emissions, maximize the efficiency and productivity of its resources and minimize practices that badly affect the country's natural resources.. Pollution from the industrial sector in Ethiopia has been on the rise, posing a serious problem to the environment. Many industrial processes produce polluting waste substances that are discharged to the environment (Aregawi 2014). Hence Corporate Environmentalism will play a huge role for pollution prevention and resource efficiency.

1.2. Statement of Problem

Urban environment has a lot to do with contaminations caused through the course of industrialization. ‘‘This is mainly because the cradle of the urbanization process is the result of modern industrialization’’ (Langeweg et al., 2000). Most industries are situated inside and/close to urban settlements; the urban condition is seriously presented to contamination and degradation. Considering this dangerous issues all through the world, worldwide corporate and individual states are planning various components on the best way to solve it (WAN Yongkun et al, 2013).

Subsequently, though, it is just from the beginning, pollution from the industrial sector in Ethiopia has been on the rise, posing a serious problem to the environment. Numerous industries released contaminating waste to environment (Aregawi 2014). ‘‘Among the most polluting industries are textiles, tanneries, and beverage & food processing industries with processing plants and factories that produce liquid effluents which are discharged into rivers, often without treatment. In Addis Ababa, rivers frequently receive polluting discharges from many different sources all at the same time’’(Eshetu 2012).

Existing writing on environmental governance in Ethiopia fails to acknowledge the idea of Corporate Environmentalism. Most works, however, they are in short amount, are not researching the environmental governance completely. Scores of research studies directed on air and water pollution (Van Rooijen and Taddesse, 2009) and deforestation, degradation, and climate change (Tedla and Kifle, 1998). Nonetheless, the corporate aspect of Environmental Governance seems to be overlooked.

In addition, there is lacking data on corporate Environmentalism in developing countries, especially on the African continent. The need for capacity building and technology transfer to less developed countries, such as Ethiopia, remains an important developmental agenda (Nukpezah 2010).

A joint study by Addis Ababa and Oromia EPA Bureaus uncovered that manufacturing industries in Addis Ababa lack the self-commitment to protect the environment. Let alone having self-regulatory mechanisms to acting responsibly, these industries are not even abiding by the government regulatory requirements because CE involves a self-motivated concern for environmental protection. In the developing countries such as Ethiopia, many corporations are not responsible for the environment.

The Corporate Environmentalism practices were not much assessed. But Abebe Amare assessed by taking the case of Akaki rever in 2019,. However the motivation and barriers of the leather industries have not assessed well by other researchers. Hence the purpose of this research is to take a full picture of what motivated the industries to practice, and identify the barriers that hinder them form practicing of Corporate Environmentalism.

The purpose of this paper is to explore Leather Industries Corporate environmentalism practices to reduce environmental degradation and effort to manage natural resource. It offers a detailed assessment of the practice, motivation and barriers of leather industries for implementation of Corporate Environmentalism. The assessment used a case study of 6 leather industries in Addis Ababa Presented to what CE practice the implemented, Why the motivated and what barriers they faced. The intended to contribute knowledge on Corporate Environmentalism and the drivers and hinders of its implementation of leather industries in Ethiopia.

1.3. Objectives

1.3.1. General Objectives:

The main objective of the study is to explore Leather Industries Corporate environmentalism practices to reduce environmental degradation and effort to manage natural resource.

1.3.2. Specific Objective

- To assess the practice of industrial firms on Corporate Environmentalism
- To assess motivation to implement Corporate Environmentalism
- To evaluate the barriers to implement Corporate Environmentalism

1.4. Research Questions

- Why industry firm are implement corporate Environmentalism?
- What are the factors motivating and prevent the adoption of CE practices

1.5. Scope

The study took six leather Industries in Addis Ababa as the cases of the study in Ethiopia. The organizations are the units of analysis. This sector is chosen because it is a highly privatized sector and high consuming of raw materials like chemical, water, energy in the country and it could be an ideal setting to highlight what companies can do in terms of CE.

1.6. Significances of the study

The research has the following significances for parties who have direct or indirect interest on it;

- The research output can help corporations, policy makers, academician to take some remedial actions or corrective measures on the problems identified in the research;
- It show the challenges and barriers to implement the CE
- It enables the researcher to acquire basic experiences regarding several issues on areas of corporate environmentalism practices and related aspects as well as the tentative solutions provided by the researcher can also enable the interested parties to solve the identified problems;
- It provides information and creating awareness about CE for different stakeholders
- It have a vital in taking up CE in a step further than previous studies

1.7. Limitation of the study

The limitation of the studies was insufficient sample size for statistical measurement. There were 32 leather Industries in Ethiopia, but the research limited only six leather industries due to budget constraints. Moreover, Lack of previous research studies on the topic and limited access to data especially, financial data were the major limitation of the study.

1.8. Organization of the proposal

This paper is organized and presented in four chapters. Chapter one covered the background information to the study, the research questions, objectives of the study, significance of the study as well as the scope and limitations of the study. Chapter two looked at the review of literature on the subject. The review include assessment of books, papers, publications of earlier writers on the topic or similar to that as well as different theories on CE. Chapter three discussed the methodology of this study and includes research design, data collection and analysis methods used in analysis. Chapter four presented the findings and analysis of the data. The last Chapter, Chapter 5, presented the conclusion and recommendation.

Chapter Two

2. Literature

2.1. Conceptual Definitions

Corporate environmentalism (CE): defined by Jamison, whereby the company fully embraces sustainability and has a net positive impact on environment and society (Jamison et al., 2005).

Corporate Environmentalism the ‘organization recognition of the legitimacy and importance of the biophysical environment in the formulation of organization strategy and the integration of environmental issues into the strategic planning process so that to reduce their negative impact.’ (Banerjee, 2002).

Corporate Governance Set of rules that define the relationship between stakeholders, management, and board of directors of a company and influence how that company is operating. (OECD 2004)

Corporate Social Responsibilities- Corporate social responsibility is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life. (WBCSD, 2002).

Stakeholders as “any group or individual who can affect or is affected by the achievement of the firm's objectives" (Freeman 1984: 25, cited in Rowley 1997)

Motivation –“the attribute that moves to do or not to do something (Broussard et al 2004).

Barriers - A barrier is an obstacle which prevents a given policy instrument being implemented, or limits the way in which it can be implemented (www.its.leeds.ac.uk).

Best Environmental Practice: The application of the most appropriate combination of environmental control measures and strategies (Stockholm Convention 2009).

2.2. Emergence of Corporate Environmentalism:

In the 1950s the idea of responsible behavior of organizations initially had risen and was initially created from a social base, from which the word 'Corporate Social Responsibility'(CSR) determined (Bazin, 2009). From that point forward, the possibility of CSR has been generally talked about and broke down and has been produced more distant than the essential social angle (Carroll, 1999). World Business Chamber on Supportable Advancement (WBCSD, 2002), clarify the possibility of CSR depends on three columns including the social, the financial and the natural parts of business action. Unequivocally, CSR is characterized to grasp 'the joining of social and natural qualities inside an organization's center business activities commitment with partners to enhance the prosperity of society' (WBCSD, 2002)

In the 1970s, firms carried out environmental performances as required by law, given such activities were considered a threat to the ultimate corporate goal of the maximization of profit (Hoffman and Ventresca, 2001). Later, both societal and scholarly emphasis on corporate benign environmental practice started to change dramatically. Environmental issues have always been brought up as a more pressing and salient topic, especially after the Rio de Janeiro Earth Summit in 1992 (Etzion, 2007).

From the 1990s, scholars have started to use various theoretical lenses such as corporate political activities, resource-based view, and stakeholder theory to investigate the mechanisms driving firms to implement corporate environmentalism and assess the related financial and societal impacts. Studies have shown that firms perform in an environmentally friendly way to comply with government regulations to out-compete their rivals in the market and to respond to demands by their local communities and customers (Delmas, 2004).

2.3. Corporate Social Responsibility and Corporate Environmentalism

Portney defines Corporate Social Responsibility as a consistent pattern, at the very least, of private firms doing more than they are required to do under applicable laws and regulations governing the environment, health and safety, and investments in the communities in which they operate (Portney, 2005) whereas CE defines as Corporate environmental defined as takes into account environmental commitment, whereby the company fully embraces sustainability and has a net positive impact on environment and society (Jamison 2005).

Corporate environmentalism is a high profile and important dimension of CSR. However, Vogel points out a number of weaknesses with CSR when it comes to managing environmental risks. He discusses the emphasis often placed on labour standards and asserts that environmental management has a lesser significance. But it is in the application of corporate environmentalism within CSR in developing countries that represent the most serious weaknesses (Vogel, 2005). Similarly, Etzion, 2007 states that CRS lacks a clear, uncontested definition of what it included and excluded toward the environment

Vogel (2005) says that far fewer industry or company codes govern environmental practices than labour standards in developing countries. Although environmental problems are more serious in developing countries there are far fewer voluntary corporate programs for minimizing environmental risks. In developed countries there is more extensive government legislation or the prospect of it, which affect business practices.

The most inclusive and detailed approach in context of CE has been provided by who has identified corporate environmentalism as one way that corporations can address environmental issues and he defined it, as the '*organization-wide recognition of the legitimacy and importance of the biophysical environment in the formulation of organization strategy and the integration of environmental issues into the strategic planning process.*' (Banerjee, 2002).

2.4. Theoretical Review

Natural Resource Based Theory-

Resource based theory takes the perspective that valuable, costly to copy firm resource and capabilities provide the key resources of sustainable competitive advantage (Barney, 2001). The resource based view of the firm suggests that competitive advantage can be sustained only if the capabilities creating the competitive advantage are supported by resources that are not easily duplicated by competitors. Resources may include physical and finical assets as well as firm-specific assets such as employees' skills and organizational processes. A firm's capabilities referee to its ability to accomplish specific value added tasks with deployment of supporting resource. The resource based view emphasizes resources that contributes to firm's capabilities and are difficult to transfer or trade. Such resources can be difficult to replicate because they are ‘invisible’ assets accumulated through past experience and learning by doing (hart 1995). In addition, firms may also acquire socially complex resource that can support coordinated action engaged by a larger numbers of employees or teams. Ultimately, firms that are able to accumulate resource to support unique capabilities will be able to enjoy a sustained competitive advantage (Russo and Fouts, 1997).

Hart extends resource-based theory by considering the constraint of natural resource. He develops a conceptual framework, a natural – resource based view of firms, to characterized firms’ capabilities that facilitate three interrelated environmental strategies: pollution prevention, product stewardship and sustainable development. Hart argues that the three environmental strategies can lead to competitive advantage in the form of improved manufacturing efficiency, enhanced reputation and raising rival’s costs by influencing future industry standards. Not all firms can realize these benefits in the same fashion. Pursuing three strategies implies both substantial investment and a long term commitment to the environment. Firms pursuing strategies need sufficient finical resource and significant organization capabilities in order to gain theses competitive advantages (Hart, 1995).

Firms pursuing a sustainable development strategy must have an organizational wide dedication to shared vision of the future. Creating such a shared vison deep into the management ranks requires strong moral leadership and an empowering social process inside the firms. Giving the difficulty in generating such a consensus, shared vision becomes a firm- specific resource that cannot be easily duplicated by all firms (Hart (1995).

Stakeholder Theory

The stakeholder theory was first introduced by Edward Freeman in the 1980s. The stakeholder theory branches from the idea that the investors and or shareholders are not the only ones to whom an organization is accountable. It extends the circle of stakeholders and the relationship that exist between an organization and its external environment in unification with its behavior within the environment (Freeman 1984 25, cited in Rowley 1997).

Freeman described stakeholders as “any group or individual who can affect or is affected by the achievement of the firm's objectives" (Freeman 1984 25, cited in Rowley 1997). Donaldson concluded that it is ethically wrong for an organization to focus solely on the interest of shareholders without incorporating that of workers and customers (Donaldson and Preston, 1995).

Similarly Clarkson maintained that an organization will not survive as a going concern without a continuous participation of its primary stakeholders, and stressed on the high level of interdependence between an organization and its primary stakeholder groups. According to his “if any primary stakeholder group, such as customers or suppliers, becomes dissatisfied and withdraws from the corporate system, in whole or in part, the corporation will be seriously damaged or unable to continue as a going concern’’. Secondary stakeholders on the other hand may influence the activities of an organization, but they do not engage in transactions with the organization, neither are they essential for the organizations survival but they may have the capacity to mobilize public opinion in favor or in opposition to an organizations performance (Clarkson, 1995). Another exemplary distinction is the work done by Waddock, where they divided stakeholders into three categories: primary stakeholders such as owners, employees, customers, and suppliers; secondary stakeholders such as non-governmental organizations (NGOs), activists, communities, and governments; the third stakeholders includes the general societal trends and institutional forces (Waddock, 2002),

In terms of CE activities of organizations, studies have shown that pressure from stakeholders compel organizations to initiate environmental management measures (Gunningham, 2009). However, the differing scope of definition of who is an organization stakeholder is argued to have granted the possibility to freely interpret who can have an impact on the CE activities of an organization (Mainardes, 2011).

Legitimacy Theory

Institutional legitimacy is based on the idea that organizations have to act inside the borders that are socially acceptable. Organizations arrange their activities in accordance with the expectations of the society to strengthen its moral awareness, and show that they conform to external expectations in order to acquire the social endorsement that gives them the license to operate (Eriksson-Zetterquist, 2009).

Legitimacy theory proponents advocate that organizations act in ways that are legitimate, and engage in social contract by performing certain desirable activities in return for acceptance and approval from the society in which it operates (Eriksson-Zetterquist, 2009). To that effect, one could argue that contemporary organizations disclose sustainability reports as means of showing transparency and accountability to gain legitimacy, and to be perceived as a good corporate citizen. In this way, legitimacy is vital to the survival of the organization where certain agreements are reached between an organization and the society where legal, economic and social sanctions may be imposed on an organization if the social contract is not met (Dowling and Pfeffer, 1975).

One could also argue that an organization has the obligations of social contract which include the multitude of implicit and explicit expectations of the society on how organizations should behave. For the stakeholders or society of any organization, it is important that the business activities and operations of the organization are considered legitimate. This connote that any organization that lacks legitimacy or perceived as being illegitimate may have a hard time maintaining sustainable growth; good market share and profitability both on the short and long run. Organizational legitimacy affects the competition for resources and performance measures (Deephouse and Suchman, 2008). This may be due to the fact that organizations gain legitimacy from others, being it from its primary or secondary stakeholders. It is assumed according to legitimacy theory that society allows organizations to carry on operations if the activities largely meet their expectations. Furthermore, institutional theory advocates that organizational survival is not determined only by material resources and technical information, but also on the organization's perceived legitimacy (DiMaggio and Powel, 1983). One could argue based on legitimacy theory that an organization may attempt to create certain agreement to fulfil certain societal values and norms, e.g., by disclosing the organizations environmental practices publicly in order to legitimize what they are doing.

Institutional Isomorphism

Isomorphism according to DiMaggio & Powell is when organizations facing similar environmental surroundings act and behave the same way (DiMaggio and Powel, 1983). It has become corporate lifestyle for many business organizations to be considered environmentally responsible by performing activities beyond laws and regulations (Engwall, 2010). It is argued that contemporary organizations have a tendency for quick adaptation and changing their business procedures and practices, especially when there is a change in their business environment. Institutional isomorphism proponents have argued that organizations are affected by a geographical proximity to their competitors and often copy one another (DiMaggio and Powel, 1983). Similarly, Hawley stressed in the late 60's that organizations are influenced by their institutional environment and argued that organizations in the same environment are likely to behave in a similar manner and become isomorphic.

Organizations compete not just for resources and customers but also for institutional legitimacy. The two types of isomorphism are competitive and institutional, and they identified three mechanisms of isomorphic institutional change, i.e., *"1) coercive isomorphism stems from political influence and the problem of legitimacy; 2) mimetic isomorphism resulting from standard responses to uncertainty; and 3) normative isomorphism, associated with professionalization"*. The first mechanism, coercive isomorphism originates from both formal and informal demands from other organizations, and coercive pressure comes from political forces with laws and regulations that control organizations. Different organizational communication tools like annual reports and other financial reports make organizations isomorphic by coercive mechanism. Mimetic isomorphism on the other hand appears mainly in uncertainties, and may lead organizations to imitate one another to become alike where the poorly performing organizations imitate well performing organizations. Imitation can also give legitimacy to an organization because of the stakeholder perception that the organization in question have at least tried. Organizations most often imitate other organizations that operate within the same field as they are perceived as *'role-models'*. Normativity is the last mechanism described by DiMaggio and Powell where they argued that organizations become homogeneous by normative mechanisms through professionalization. Professionalization comes from education and professional networks where isomorphism behavior may arise through for example their disseminating of working and educational models (DiMaggio and Powell,1983).

2.5. Motivation for Industries to embrace CE

There are a number of key motivations that drives corporate to practice best Environmental Practice, which, either acting separately or in concert with one or more other motivations. The common motivation for many corporates are Government legislation, government incentive policy, cost saving, market advantage, protect or enhance brand and reputation, pressure from stakeholders, pressure from consumers. Below the key motivational factors are listed.

Government legislation

Government legislation or the threat of legislation is the number one driver of CE, concurring with the views of writers such as Vogel who assert that government regulation is the dominant influence on corporate environmental performance, and that in the absence of extensive government regulation, few corporations would undertake voluntary environmental initiatives. Vogel makes the interesting assertion that many of the companies that have acted voluntarily to improve their environmental performance have already picked the 'low hanging fruits', and therefore without additional government legislation being imposed, we may see their environmental performance decline (Vogel 2005).

Government incentive policies

Neo liberal and environmental economists recognize the importance of economic incentives for encouraging CE; Jaffe suggest that there is little dispute among these economists that flexible, incentive-oriented policy approaches are more likely to foster low-cost compliance paths than even prescriptive regulatory approaches (Jaffe et al.,2004).

Cost savings

Undoubtedly an important driver is the potential for cost savings associated with measures such as energy, materials and waste reductions, especially for manufacturing companies, where this can mean sizeable savings in production costs for companies. Dupont has saved $2 billion thanks to energy efficiency practices; BP made $650 million in savings thanks to its energy reduction strategies between 1998 and 2002 and IBM saved $792 million between 1990 and 2002 (Vogel 2005). Polonski also discuss cost savings quoting the case of Dow which saved $2.4 million a year for an investment of $250,000 to capture part of a waste stream at a plant for reuse in another part of the plant (Polonski and Rosenberger, 2001).

Market advantage

Social concerns such as the environment are increasingly differentiating factors in advanced markets(Porter,2006).Cairncross states that given the right incentives, environmental responsibility from companies can lead to new opportunities and new markets (Cairncross 1995).

A report by the Confederation of British Industry states that there are long term benefits in the form of increased profits for companies that conduct business in an ethically and a socially responsible manner (CBI, 2002).

Protecting or enhancing reputation or brand

Vogel states that reputation of the most admired companies is still based on factors such as customer satisfaction, innovation in technology and strong financial performance, which are far more important than environmental performance (Vogel, 2005). While Chamorro discuss the finer points of green marketing, branding and reputation and say that the “product and firm together are the total product” (Chamorro, 2006). Hemmingway & Maclagan assert that social and environmental responsibility can be viewed in terms of managing a corporation’s image (Hemmingway et al., 2004).

Avoiding risk, or responding to accident or environmental threat

This is identified as an important driver by business leaders. The business leaders closely linked it with reputation protection and enhancement, and discussed the desire to avoid reputation damaging incidents and accidents that had afflicted other companies in their sector.

Pressure from shareholders

Graves state that shareholder resolutions on social and environmental issues have become commonplace in the U.S. over the last thirty years (Graves et al., 2001). Sparkes describe a process where by NGO’s purchase small shareholdings in companies they wish to influence and use shareholder rights to attend a company's annual general meeting simply in order to complain in a public forum about a company's activities; or in more extreme cases NGOs may want to cause financial harm to a company, perhaps by encouraging consumer boycotts. According to

Sparkes & Cowton, NGOs see this as the most effective way to achieve their aims, and it is done in a non-violent way in accordance with the law (Sparkes and Cowton, 2004).

In a similar way pressure from social or ethical investment funds can have an impact on firms and can encourages changes in practices. Sparkes define socially or ethically responsible investment (SRI) as "the exercise of ethical and social criteria in the selection and management of investment portfolios, generally consisting of company shares" (Sparkes and Cowton, 2004).While previously SRI issues could be ignored by corporate executives when they were limited to a fringe minority and now with SRI growing at a 'staggering' rate.

Pressure from consumers

Consumers are definitely influenced by 'bad news' stories about companies and by human rights or environmental based boycotts (Vogel, 2005). Nike, Shell and Monsanto for example have all suffered sales slumps after such bad stories and/or consumer boycotts. Polonsky & Rosenberger stress the role of consumers in influencing company CER, citing the case of McDonald's which replaced its polystyrene clamshell packaging with waxed paper in direct response to consumer concerns over CFCs produced in making polystyrene (Polonsky and Rosenberger, 2001).

2.6. Ethiopian Government Laws and Regulations for CE

Here below, we would review the various laws and regulations drawn out by the government which are related to protect the environment.

2.6.1. Environmental Assessment Proclamation (No. 299/2002)

This proclamation necessitates that private and public sectors are subject to environmental impact assessment (EIA) before their approval. The proclamation describes impact as ―any change to the environment or to its component that may affect human health or safety, flora, fauna, soil, air: water, climate, natural or cultural heritage, other physical structure, or in general, subsequently alter environmental, social, economic or cultural conditions. It also provides a legal foundation to integrate environmental economic, cultural and social considerations into the planning and decision making process and industries therefore, are required to pass an environmental impact assessment to operate legally and comply with the minimum level of environmental standard.

2.6.2. Environmental Pollution Control Proclamation No. 300/2002

The proclamation is universal guideline and offers a framework or general rule to control pollution from all kinds of sources. It prohibits pollution of the environment from any source by any person or (business entity) violating the relevant environmental standard ―which is likely to cause pollution or any other environmental hazard shall, when the authority or the relevant regional environmental agency so decides, install a sound technology that avoids or reduces, to the required minimum, the generation of waste and, when feasible, apply methods for the recycling of waste and guided by the precautionary and use of appropriate technology ―in controlling pollution This proclamation enforces adoption of appropriate technology to handle waste and proposes an incentive scheme be determined by the authorities when such prevention programs are implemented by industries and includes exemption from taxes when importing equipment for this purpose.

2.6.3. Provisional Standard for Industrial Pollution Control in Ethiopia (2003)

The standard provides guidance on effluent and emission standards and put specific emissions and effluent standards. It addresses cleaner production process and required operations to safe-guard environment. It explicitly states waste reduction measures and recycling mechanisms by firms. Therefore, firms consider these specific environmental standards formulated by the environmental authority at national level to comply with them and improve towards greener production.

2.7. Barriers to implement Corporate Environmentalism

As well as knowing what drives companies to take a degree of environmental responsibility, it is also important to know what barriers are preventing CE from being embraced by more companies, and being more vigorously embraced by those that have a degree of CE.

- **Cost**

The costs involved for companies to introduce processes, designs and products that minimize their impacts on the environment are a potential barrier to implement CE. But as Lewis & Gertsakis attest, improved environmental performance does not always cost more (Lewis and Gertsakis, 2001).

- **Government failure**

Government failure which includes government inaction, lack of policies and directions, inconsistencies, lack of leadership or weakness or inadequacies of existing policies and measures to encourage CE is the biggest barrier to more companies becoming environmentally friend and for others to extend their responsibility.

- **Market failure**

The market place's focus on the economic bottom line, and its failure to give adequate or even any value, especially financial, to the environmental or social performance of companies, is obviously a serious barrier to CE.

- **Societal/consumer failure**

Societal and consumer failure, including the perception that society as a whole to be concerned about environmental issues and consumer attitudes toward 'green' products, was another barrier that was identified by a number of the interviewees .Probably one of the main barriers to going even further down the CE path is consumer demand for these products – consumers are not buying green

2.8. Leather Industries and Environmental Impacts

The global environment is gradually worsening as a result of the socio-economic activities of mankind. Leather tanning industry plays significant role in economy of a country through employment and export earnings; but resulting pollution from tanning process causing severe environmental degradation.

Tanning is the process by which hides or skins are converted into leather. After removal of flesh and fur from the hide it is treated with chemicals which cross linked the microscopic collagen fibers to form a stable and durable leather product (Harris and McCartor, 2011).

Leather processing comprises of series of operations that can be classified as pre-tanning, in which hides or skins are cleaned; tanning process, which permanently stabilizes the hides and post-tanning or finishing operations, where final shape value is added for manufacturing of leather (Ramasami et al, 1999). Production of leather from tanning of hides and skins has been an important activity since ancient times. For processing a ton of hide approximately 30-40 cubic meter (m^3) of water is used (Suthanthararajan et al., 2004).

About 6.5 million tons of wet salted hides and skins are processed worldwide annually. About 3.5 million of various chemicals are used for leather processing. A considerable part of this amount is discharged into the effluent. Tanning of hides and skins by the usual tanning process is wholly a wet process from which a large volume of liquid waste is almost continuously discharged throughout the working hours of an industry. Usually soak waste, liming wastes and spent vegetable tan liquors are discharged intermittently (Song et al., 2004).

It is approximated that 30-40 x 1010 liters of effluent is generated by worldwide annual processing of 9 x 109 kg hides and skins (Thanikaivelan et al, 2004). Leather industry consumes a large amount of water so the availability of good quality water and the treatment of large amount of effluent are the two major issues. The tannery wastewater is a mixture of bio matter of hides and a large variety of organic and inorganic chemicals. Tanneries leave the wastewater usually contain organic and inorganic matter with high level of salinity, ammonia and organic nitrogenous pollutants and other toxic pollutants including sulphide and residues of chromium metal salt). Tannery effluents are characterized as highly colored, foul smelling with acidic and alkaline liquor (Ros and Gantar,1998).

Poor processing practices and use of unrefined conventional leather processing further aggravate the pollution problem. In tannery effluents presence of chromium and hydrogen sulfide formed due to sulfide are highly toxic to many living beings. Indiscriminate discharge of effluents into water bodies or open land causing contamination of surface and ground water in addition to degradation of flora and fauna of soil have direct impacts on agricultural land (Khawaja,1997).

Leather tanneries generate three type of waste including wastewater, solid waste and air emissions. So far, wastewater is considered as the most important environmental challenge (Iqbal, 1998).

Chapter Three

3. Methodology

This chapter of the research paper describes the research methodology used to study the problem based on different authors' scientific point of view. This study paper is a qualitative research conducted on Leather industry corporate environmentalism practice. It is mainly constructed on qualitative data which shows the industry practice rather than quantified sources and it starts looking in to the problem with an inductive reasoning by using the available empirical data in the area and relating it with the existing literature/theories

3.1. Study Area

The study was conducted in Leather industries which are located in Addis Ababa. These industries are selected because of high consumption of raw material, natural resource and chemicals and also highly polluting. Moreover, they are highly privatized and they have both local and international stakeholders which affects their behavior. The area was selected because most of those industries are concentrated in Addis Ababa and also for the interest of budget and time. The leather Industries that involved in this case study are listed below in table

Table: 3.1.3 List of the leather industries

No	Name	Address	Established Date	Capacity/day	No of Employee
1	Addis Ababa Tannery S/C	A.A	1925	1400 Goat skin and Sheep Leather 1000 cattle hide	149
2	Abyssinia	A.A	1964	1500 Goat skin and Sheep Leather 2400 cattle hide	322
3	Batu Tannery	A.A	1993	2500 Goatskin and Sheep Leather 1000 cattle hide	340
4	Walia Leather and	A.A	1981	5000 Goatskin and Sheep	307

	Leather Products PLC			Leather 1000 cattle hide	
5	Eleco Awash Leather Factory	A.A	1957	5500 Goatskin and Sheep Leather 1200 cattle hide	400
6	New Wing Addis Tannery PLC	A.A	1990	1250 Goatskin and Sheep Leather	707

3.2. Research Approach

The study mainly relies on the inductive research approach, which is based on empirical evidence and drawing general conclusions/building theories from the empirical observations, as findings are incorporated back in to existing knowledge (literature/theories) to improve theories Hence the paper has begun its study with the empirical data on hand since there is lack of well-developed available information in the area and so it could be difficult to find the respective theoretical model. As a result the study was planning first to see the empirical data on hand and next to relate it with the respective literature/theories.

3.2.1. Case Study Research Design

this paper is a qualitative case study that explores an organization, which in this case is Ethiopian leather industry, and which is a single and holistic case study that concerned only with the organization as a whole .The paper got insight of'' how and why the leather industry practice Corporate Environmentalism'', case study is best applicable when questions like 'how' are to be answered.

The researcher decided to conduct a case study as it answers how and why questions. As the interest for Corporate Environmentalism has increased rapidly in the recent years the researcher were interested in analyzing a contemporary event. The fact that a case study allows for several data collection methods also makes it suitable since the researcher used both interviews and written sources.

3.2.2. Sample and Sampling Techniques

There were 32 leather industries in Ethiopia but the total unit of analysisfor this study were all leather industries in Addis Ababa which were Seven industries. This Leather industries were selected because of there are accessible due to budget constraints. But out of the seven leather industries, one of the leather industries, dire leather factory, was closed due to non- compliance of Environmental legislation during the study time frame. Hence the target unit analysis was six leather industries. Table 3.1.3

The researcher wanted to assess corporate Environmentalism practices, motivation and barriers, hence all leather industries in operation during the study time frame included, which were six . From each Leather Industries the manager and one leather industries' Environmental expert, who is responsible to undertake different Environmental protection measures in the industry, were interviewed, which made the total population of twelve interviews from all six leather Industries. The number of environmental experts interviewed was limited to one from each industry because there was no more than one Senior Environmental expert who could involve in the study. The environmental expert were selected because they understand more about corporate environmentalism activates and provide a detail answer for questioners especially for practice of CE. The other works knowledge regarding Corporate Environmentalism is assumed low and the thesis paper focused on practice of the leather industries rather the knowledge of workers. Hence the six environmental Expert and the six managers from six(6) leather industries considered sufficient. The mangers were involved in the study because they are the one the one who lead the industries and had knowledge about the motivation and barrier of implementing CE in their respective industries.

Moreover, Addis Ababa Environmental Protection and Green Development commission, Environment, Forest and Climate Change Commission and Ethiopian Leather industry development institute, were interviewed. These institutions were selected purposely because they are directly involved in monitoring and support of the leather industry to implement CE. The selection criteria that used to interview the respondents from monitoring department were classified in to two. The first were to interview the director of Monitoring Departments and second were to interview experts in their department who worked their at least three years and above. The directors were needed so that he/she assumed they would have a deep knowledge about the practice, motivation and barriers of the leather industries. The second criteria were to interview experts who worked at least three years in the monitoring department. This was because the work experience is directly linked to the high knowledge of the leather industries which also provide quality and reliable answer. Based of the above criteria, six respondents was interviewed form the three institutions. There were many experts in the department however, they were newly hired and transferred from different department and were not relevant for this research. As result of that the researcher forced to only interview the 6 respondents.

3.3. Data Collection

In this section the type of data or sources and the data collection methods the study chosen are briefly presented based on its employed research design.

3.3.1. Secondary Data

Secondary data are information that have already been collected by others for other purpose and includes books, journal articles and websites of organizations and catalogues. The study mainly depends on secondary data like articles by experts in the area, experience both national and international, scientific books and other website documents.

Secondary data like the national environmental policy, proclamations and regulation documents, articles, journals, books were collected from EFCCC, website and library.

3.2.2. Primary Data

In order to conduct a reliable and representative analysis corporate Environmentalism a representative sample of the population was needed. Among the primary data collection methods the study has used was an interview to fill the information gap.

3.2.1. Interview

It helps to gather valid and reliable data that are relevant to the research question/s and objective. The semi-structured interview involves predetermined lists of question to be covered. The interview was basically prepared for the leather industries and regulatory bodies. Primary data were collected from interview of 12 respondents from 6 leather industries and 7 officials and experts from 3 governmental institutions namely Environment, Forest and Climate Change Commission, Addis Ababa City Environmental protection and Green Development Commission. The Interview conducted one to one with the respondents in their institutions. These institutions were selected purposely because they are directly involved in monitoring and support of the leather industry to implement CE. In order to do the interview an official support letter from the Addis Ababa University was provided to respective office and industries for their cooperation.A few minute briefing about the aim of the research provided by the researcher. Then based the questioner the interview were made. The collected information was about their Corporate Environmentalism practices, motivation and barriers. The interview was conducted face to face with interviews and their response were recorded in order to remember and avoid misunderstandings and typed down on the questioners.

3.2.2. Observation

Site visit/observation of the industries also made beside the interviewee. This was done to cross check the question put on the practice section. The researcher had conducted series of site visits to leather industries thereby observing the current Corporate Environmentalism practices. During the site visit, the researcher took notes and photos wherever possible. The researcher found this experience to be very important part of the data collection process because it enables to observe the actual phenomena in the leather industries systems.

3.3. Data Analysis

The researcher can do so by investigating regularities, patterns, explanations, possible configurations, casual flows and propositions. When the researcher collected and analyzed the data considered data reduction, data display and conclusion drawing and verification. The researcher considered data reduction by focusing on our research questions and by discarding irrelevant information. After that, the researcher aimed to display the reduced data in a clear manner in order to avoid misinterpretations and to facilitate conclusion drawings. When the researcher came to the conclusion drawing and verifications of the data analysis the researcher investigated regularities, patterns and explanations in order to reach a “correct” conclusion.

Accordingly, the purpose of analysis is to understand and gain insights from the collected data and also to make sense of data theory is needed. In qualitative research data collection and analysis are conducted simultaneously in an interactive way with intensive interplay between data and theory. Accordingly the study has got insight of the data collected based on the respective theories to answer the research question. In other words, the study has investigated the data collected and has reached an understanding of the case through findings and answer to research questions.

Chapter Four
Results and discussion

4.1. Introduction

This chapter focuses on the analysis and interpretation of data collected using the qualitative approach. To this end, data is analyzed to the interest of addressing the research objectives within the dimension of leather industries' Practice, Motivations as well as barriers to implement Corporate Environmentalism.

Concerning Practice, it has tried to consider Environmental policy, wastewater treatment plant, solid waste management, water and energy-saving, dust composure, life cycle assessment, and Environmental Audit; Motivation covers government legislation, stakeholders pressure including NGOs, Consumers, Public pressure, Government Incentives, and Cost. Barriers comprise cost, government failure, and market failure and mangers attitude.

4.2. Practice of Corporate Environmentalism

This section presents the finding and analyses of the leather industries Corporate Environmentalism practice. Interviews with leather industries manager and environmental experts as well as regulatory bodies and a site visit were to assess the leather industries Corporate Environmentalism practices. Corporate Environmentalism Practices are the application of the most appropriate combination of environmental control measures and strategies to protect the environment. In the case of this paper, it considered environmental policy, wastewater treatment plant, solid waste management, water, and energy-saving technology, life cycle assessment, and Environmental Audit.

Industries need to have an environmental policy to practice CE in its full spectrum. An Environmental Policy is a written statement, usually signed by senior management, which outlines a business's aims and principles about managing the environmental effects and aspects of its operations.

Out of six (6) leather industries, only two (2) have an Environmental Policy approved by the management. However, it is neither published on the website nor introduced to the works. Although putting an environmental policy is voluntary, an increasing number of corporates are choosing to do so. The regulatory bodies confirmed that the leather industries do not have an environmental policy, and they emphasized that "we cannot force industries to have an Environmental policy since it is a voluntary process; however, we provided advice to set a policy" (Interview with Regulatory Bodies, 2019).

All leather industries did not conduct an Environmental Impact Assessment study report. The reason behind this is because that all leather industries established before the declaration of an Environmental Impact Assessment Proclamation no 299/2002. Any Industries established before the declaration of the EIA proclamation required to conduct an Environmental Audit and set the Environmental Management Plan accordingly. However, the leather industries did not comply with the regulation. From six leather industries, only three leather industries prepare the Environmental Management Plan for their respective industries. Even though those leather industries set the Environmental Management Plan, it was inappropriately designed and not approved by the relevant Environmental office. (Interview with Regulatory Bodies, 2019).

Expert form Environment, Forest and Climate Change Commission explain why the EMP was inappropriate, he said

> *‘‘The Government lacks an Environmental Audit legal framework. Hence, the consultants did not conduct an Environmental Audit to set an Environmental Management Plan. This means that you tried to improve something without knowing your problems. In addition to that, even if leather industries set an EMP based on Environmental Audi Finding, we lack experts and equipment to verify the Environmental Audit report.''*

Lack of commitment of the leather industries, poor enforcement of regulatory bodies, unethical Environmental consultants, gap in the Environmental Impact Assessment and Industrial pollution control proclamations as well as on Various Environmental guidelines made leather industries not to have an Environmental Policy as well as not to conduct proper Environmental Management and Environmental Audit.

The leather industries process hides and skins into leather. This process uses large quantities of water and chemicals. As a result of this, leather Industries produce considerable amounts of both liquid and solid wastes. Therefore, the other Corporate Environmentalism practices that the leather industries are supposed to implement are managing their waste by preventing, reducing, reusing, recycling, and properly dispose of their Wastes and by-product.

Leather industries are among one the water-intensive Industry, and a significant part of the water go out as wastewater. As a result of that, the leather industries are required to have a wastewater treatment plant with a full functional Environmental department and skilled man-power for its operation.

Fig. 4.1. Liquid waste management In new wing Leather Industries

As the observation made during the site visits, all leather industries have a primary and secondary wastewater treatment plant. Furthermore, only one leather industry has a tertiary wastewater treatment plant. But most leather industries had only a primary wastewater treatment plant until recently. (Interview with Regulatory Bodies, 2019). The leather industries fully implement secondary wastewater treatment plants after the regulatory bodies shut down the industries due to non-compliance. Even though all leather industries have at least a secondary wastewater treatment plant, its effectiveness varies from sample to sample. The regulatory bodies put the reason as the following.

‘‘This is because of our, Environmental protection office, poor enforcement, and monitoring systems. These have generated from lack of adequate budget, skilled manpower, accredited laboratory, and modern technologies as well as inadequate Environmental legal frameworks and high politician interference. Moreover, the leather industries' have a low commitment to protect the environment. As a result of these, the Leather Industries cannot meet the effluent standard set for chloride. Since they will not able to reach that level at this time, we will let them pass the effluent standard’'.

Tertiary wastewater treatment plant involves a series of additional steps after secondary treatment to reduce organics, turbidity, Nitrogen, phosphorus, metals, and pathogens. (Charles and Ian, 2015). However, 5 out of 6 industries do not have a tertiary wastewater treatment plant. Hence, it assumed that the leather industry effluents have high contains Nitrogen and Phosphorus. In the long run, the discharge of Nitrogen and phosphorus would cause eutrophication to nearby water bodies.

In addition to the liquid waste, the leather industries produce large amounts of solid organic wastes in the form of un-tanned (trimmings, fleshings, splits) and tanned (trimmings, splits, and shavings) waste from raw hides and skins, semi-processed leather, as well as sludge as a result of a wastewater treatment plant. Furthermore, Cartons, Papers, Plastic Barrels, Wood, Splitting waste generated from leather industries. If these solid wastes not properly disposed, they will likely cause several problems in the environment.

Fig. 4.2. Solid waste management In batu Leather Industries

The leather industries have no method or technology for solid waste management other than disposal. The solid wastes generated during leather manufacturing processes and from the wastewater treatment plant of the leather industries are being collected and disposed of along with the municipal solid waste (Interview with leather Industries, 2019). Nevertheless, the leather industries' solid waste should be managed separately. It contains hazardous components that affect both human health and the Environment.

The regulatory bodies also confirm the leather industries' practice of disposing of their solid waste along with the municipal solid waste. The leather industries are allowed to dispose of their solid waste because the Addis Ababa city government lacks an Industrial solid Waste disposal facility (Interview with regulatory Bodies, 2019).

> *''the leather industries were untouchable because they were one of the sources of foreign currency sources of the country and the high-level politicians wanted them to produce with any cost which makes it difficult to enforce the laws'' (Interview with regulatory Bodies, 2019).*

Ethiopian has not had hazardous waste management and controls the legal framework until recently. The recently approved hazardous waste management and control proclamation no 1090/2018 declares any producers shall adopt cleaner production principles in article 5. It also declares the responsibility of hazardous waste generator, about the labeling of the waste, Transporting, storage, recycling, and disposal. However, the industries do not know this proclamation because the regulatory bodies did not do an awareness-raising program. Moreover, there is no for industrial or hazardous waste disposal facility so that the leather industries to practice.

The Leather industries' Corporate Environmentalism practice for managing solid waste is improper. If the current practice solid waste management practice continues the same way, it will lead to Environmental Pollution. Similarly, in Bangladesh, the huge amount of solid waste from leather industries traditionally disposed of in landfills. Most of these landfills did not construct properly. Therefore, toxic metals, especially chromium, leached out into the adjacent soil making it unfit for cultivation and other uses (Alvarez-Bernal et al., 2006).

The other Corporate Environmentalism practice assessed in this paper is water management practice. Water is an important medium in leather processing. Almost all the unit operations of the leather industry use waster as a process of medium. All leather industries' sources of water are the municipal pipe water and groundwater. The leather industries consume groundwater most of the time due to the shortage of water in the city and because it is free of charge (Interview with leather Industries, 2019). The regulatory bodies also confirm that they know the industries using groundwater, but could not enforce them to keep records of the amount of water they use and set a payment system (Interview with regulatory Bodies, 2019).

The leather industries do not keep a record of the amount of water they consume due to poor enforcement system. Moreover, the Environment office could not establish coordination with the Water and Sanitation Authority so that the leather industries to install smart water meter in the well and pay accordingly.

The Central Leather Research Institute has developed water-management approaches. It has been commercially tested and practiced by leather Industries in India and Sri lank. The strategies adopted for water management practices were includes recycling of sectional process liquors as well as recycling direct reuse of water in a less critical process, low float process and increased volume control. Yet, all leather industries in Ethiopia do not practice water management technology besides the reuse of water in a less critical process (Interview with leather Industries, 2019).The leather industries are not interested in spending money on something they neither saving money nor required to comply with Environmental Laws.

The leather industry uses both a high variety and several chemicals during the production of leather from raw hides and skins. The chemicals will end up in the product and the environment (wastewater, solid waste, and air) as well as by-products. All the leather industries' have well-organized chemical storage and apply chrome recovery technology. But, none of the leather industries have an environmentally friendly chemical purchasing system, hazardous chemical substitution, and chemical database or record.

Industrial Chemical Registration and Administration proclamation No 1075/2018 article 7 states that "any industry should keep record the type and amount of chemicals used and deteriorated as a result of improper management or prolonged storage". Similarly, article 8 states that "industrial chemicals that are imported, exported, produced and distributed, used or transferred shall report to Ministry of Industry or competent authority one year before expiring date of the chemicals. Yet, none of the leather industries know what an Environmental friendly purchase system means. Furthermore, they confirmed that they did not receive an awareness-raising program. Although, the regulatory bodies argued that they provided many awareness-raising programs on Environment management.

Environmental Audit is vital for industries attempts to reduce its impact on the environment. The leather industries had not conducted an Environmental Audit. This confirmed by regulatory bodies during the interview (Interview with regulatory Bodies, 2019). The regulator bodies said that:

> *This is because the leather industries are not legally required to conduct Environmental Audit. This is the result of gaps in the legal frameworks. The*

Environmental Impact Assessment Proclamation No 299/2002 should have stated when to conduct Environmental Audit and renew the Environmental Impact Assessment Clearance. Therefore, we lack a legal framework for enforcing the leather industries.

A life cycle assessment process is a technique to assess environmental impacts associated with all the stages of a products' life from raw material extraction through materials processing, manufacture, distribution, use, repair and maintenance, and disposal or recycling. Yet, none of the leather industries practice a life cycle assessment method in their respective industries (Interview with Industries, 2019). This is because of the leather industries' limited knowledge of the benefits of life cycle assessment and the lack of skilled and experienced experts. This confirmed by the regulatory bodies and said that "not only the leather industries, the regulatory bodies as well lack experts who do a life Cycle Assessment (Interview with Industries, 2019).

The leather industries did not fulfill many of the criteria set to assess their practice by this research paper. The main reason for this is because leather industries have not set an environmental policy, and those who did, not fully committed to implementing it. Besides that, poor enforcement systems and mechanisms of regulatory bodies could be stated. This is in line with what hurt stated, "pollution prevention strategy is people-intensive, focusing on continuous improvement through employee involvement to archive well defined environmental objectives rather than the end of pipe solutions". He also mentioned that "an environmental product stewardship strategy requires the integration of life cycle costing into the firm’s product-development process. It implies an organizational ability not only to coordinate functional groups within the firms but also to communicate across functions, departments and organizational boundaries. Creating such a shared vision deep into the management ranks requires strong moral leadership and an empowering social process inside the firms" (Hurt 1995).

The findings of this research paper show that the leather industries Corporate Environmentalism practice is poor because they lack practices of life cycle assessment, periodical Environmental Audit, Chemical management based on the proclamation required, water management approach, solid waste management, hazardous waste management, and tertiary wastewater treatment plant.

This is in line with similar studies conducted on leather industries. Tadese stated in his paper that Ethiopian Tanneries are poor in practicing green purchasing, marketing practices, investment recovery, eco-design, and environmental protection to green the whole supply chain (Tadese, 2015).

The leather industries Corporate Environmentalism practice is weak as result of that their corporate environmentalism is not match with Natural resource based theory. Hart developed on his conceptual framework; he characterized firms' capabilities that facilitate three interrelated environmental strategies: pollution prevention, product stewardship and sustainable development (Hart (1995). However, the leather industries in Ethiopia pollution prevention actions are weak, the product stewardship is nil in all industries and sustainable development is not fulfilled because almost all leather industries not good in protecting and conserving the center of sustainable development which is Environment.

This clearly showed that there is no linkage between the theory and the motivation. Usually it show a linkage in developed countries where the resource efficiency activity make a change especially from cost saving and avoiding non-compliance penalty. Whereas, in Ethiopia, the resource like water, electricity and raw materials are cheap and the environmental regulation enforcement system are weak, As result of this the leather industries are not motivated by this theory.

4.4. Motivation of the leather industries to practice CE

In the above section, it presented how the leather industries corporate environmentalism looks like practice. In section, the paper presents the finding and analysis of what the leather industries motivate them to practice Corporate Environmentalism.

To answer a particular research question, the study depended on the various possible CE sources that are identified in the literature (Chapter 2) while exploring why the leather industries engage in Corporate Environmentalism. Accordingly, findings assessed and analyzed in line with the Corporate Environmentalism motivation sources identified in the literature of this research paper. The motivations were Government Environmental legislation, Government incentive, Cost savings, Market advantage, Protecting or enhancing reputation or brand, and Pressure from stakeholders (public, NGO and consumers).

- ***Government Legislation***

The first motivation of leather industries to engage in practicing CE is Government Legislation. All leather industries responded that they engage in practicing CE because they are required to comply with Environmental legislation set by the country.one of the leather industries stated that

> *"We want to work and gain profit and also keep our workers on the job. In order to do so, we need to comply with the Environmental offices and work with the environmental office unless they will shut down. "*

This confirms that leather industries motivated by Government Environmental legislation. This motivation would work better if the countries' Environmental legislation is strong, and the institutions have good enforcement capacity. As a result of these, the leather industries did not engage in implementing CE beyond what the regulatory bodies demand. However, literature shows that it has become a corporate lifestyle for many organizations to be considered environmentally responsible by performing activities beyond laws and regulations required (Engwall, 2010).

Furthermore, it confirmed from the regulatory bodies that the leather industries' engagement in practicing corporate environmentalism was poor and did not comply with the major Government Environmental Legislations. The respondent stated that 3 leather industries did shut down due to non-compliance (Interview with regulatory bodies,2019). After the shutdown, 2 leather industries improved their practice and did get a permit to re-open. This shows that the leather industries motivated by government legislation, but the poor enforcement makes the leather industries to be reluctant. As Vogel stated, ‘‘government legislation is the number one driver of CE and that in the absence of extensive government regulation, few corporations would undertake voluntary environmental initiatives (Vogel, 2005)". Similarly, Scott stated that "organizations respond most often to the coercive action of regulators in their institutional environment since failing to respond to regulatory demands engenders significant risk to the organization’s legitimacy and viability (Scott, 2001)". Any organization that lacks legitimacy or perceived as being illegitimate may have a hard time maintaining sustainable growth, good market share, and profitability both in the short and long run. Organizational legitimacy affects the competition for resources and performance measures according to Deephouse & Suchman (Deephouse & Suchman, 2008).

- ***Stakeholders’ pressure***

The second motivation for the leather industries to implement and practice of CE is stakeholders’ pressure. The stakeholders are a broad term which composites many actors. Studies have shown that pressures from stakeholders compel organizations to initiate environmental management measures (Gunningham, 2009).

Public pressure and expectation are the main drivers for leather industries' corporate Environmentalism practices in Ethiopia. The leather industries consider Public Pressure and Expectations as a motivation for their implementation and practice of corporate Environmentalism. Similarly, Clarkson stated that secondary stakeholders may influence the activities of an organization, but they do not engage in transactions with the organization, neither are they essential for the organizations' survival but they may have the capacity to mobilize public opinion in favor or opposition to an organizations performance (Clarkson 1995).

Residential houses are located nearby the leather industries. As a result of that, the leather industries implemented some of the mitigations due to the pressure of the resident. To avoid complain of the resident, the leather industries implemented CE activities to manage dust and smell. This also confirmed by regulatory bodies. However, the general public of Addis Ababa has not put strong pressure on the leather industries. Hence, the industries' practices are specifically to address the resident near their industries rather than for the general public. The general public has not put pressure because they are not directly affected like the residents and considered as they are free from any harm and/or do not have an idea of how to intervene. This is because of the knowledge level of the general public about environmental issues in Addis Ababa is poor. Similarly, Tenaw also put in his paper that "The Addis Ababa city resident lacks Environmental Knowledge". (Tenaw 2011).

Furthermore, the leather industries confirmed that the pressure from shareholders, NGOs, and consumers is almost nihil. This is because the shareholders or owners of the industries' mainly focused on economical profit than benefits of Environmental protection activities. The regulatory bodies stated that the leather industries do not have the interest to spend money to protect the Environment (Interview with regulatory bodies, 2019). This resulted due to a lack of knowledge about the benefits of environmental protection. The regulatory bodies stated that they organized different workshops, training sessions, and provided different pieces of advice during site visits (Interview with regulatory bodies, 2019). However, the leather industries argued that they did not receive any form of training and workshops.

Moreover, the involvement of NGOs in pressuring leather industries to implement CE in Ethiopia is nil. No NGO has neither provided support nor put pressure on leather industries to implement and practice corporate environmentalism in Ethiopia. The regulatory bodies confirmed the statement and they stated that most NGOs are engaged in implementing their program and activities (Interview with regulatory bodies, 2019).

However, in different countries like U.S.A NGOs has a huge role for corporates to implement and practice Corporate Environmentalism. Sparkes describes a process whereby NGOs purchase small shareholdings in companies they wish to influence and use shareholder rights to attend a company's annual general meeting simply to complain in a public forum about a company's activities (Sparkes and Cowton, 2004).

This shows that NGOs in different countries arranged to influence others to protect the environment besides their activities. Yet in Ethiopia, there are many international and local NGOs that act to protect the environment. However, they mainly focused on the implementation of their program and no NGOs tried to influence the leather industries so far. Asfaw stated that Environmental NGOs in Ethiopia are engaged more on reacting to the damage that has been caused by the unsustainable business practices rather than working proactively by collaborating with corporations, government and other stakeholders (Asfaw 2017).

According to the theory of stakeholders, individuals, or groups that can affect or be affected by the achievement of a firm’s environmental goals can be regulators, organizational members, community members, and the media. In general, it is assumed that a stronger the stakeholder direct organization to a more proactive approach of environmental strategies (Hart et al, 2003).

Vogel stated that consumers are influenced by ‘bad news’ stories about companies and by human rights or environmental based boycotts (Vogel, 2005). However, the finding of this paper showed that consumers are not a motivator for leather industries to implement CE. The industries market focused on export markets and some portion for the local markets. China, India, Italy, the USA, Romania, Hong Kong, Uganda are the importer of Ethiopian leather products. However, the importing countries are not sensitive about Environmental damage during production.

Similarly, local consumers lack knowledge about green products and Environmental protection. As a result of that, the leather industries are not motivated by the consumers. Moreover, there is no eco-labeling certification mechanism to sensitize and provide information for consumers. Clarkson stated that if any primary stakeholder group, such as customers or suppliers, becomes dissatisfied and withdraws from the corporate system, in whole or in part, the corporation will be seriously damaged or unable to continue as a going concern (Clarkson 1995).

●

The leather industries mainly consider stakeholder the resident and implement dust and smell control for resident nearby their industries. However, as Freeman described stakeholders as “any group or individual who can affect or is affected by the achievement of the firm's objectives" (Freeman 1984 25, cited in Rowley 1997).

The leather industries do not fulfill the countries environmental standards and they pollute the environment. Yet both the importing countries such China, India, Italy, the USA, Romania, Hong Kong, Uganda and local consumers interact with the leather industries without participating in their Corporate Environmental decisions. However, Clarkson maintained that an organization will not survive as a going concern without a continuous participation of its primary stakeholders, and stressed on the high level of interdependence between an organization and its primary stakeholder groups (customers or suppliers) (Clarkson, 1995).

On other hand Clarkson mentioned that secondary stakeholders may influence the activities of an organization and they may have the capacity to mobilize public opinion in favor or in opposition to an organizations performance (Clarkson, 1995). However, the leather industries never faced any kind of organized opposition except few compliant from the resident. This is because the weak enforcement capacity of regulatory bodies, low level of knowledge on environmental protection from public and NGOs focused on their own project implementation rather mobilizing the stakeholders and influencing the leather industries. Similarly, Gunningham reported that pressure from stakeholders compel organizations to initiate environmental management measures (Gunningham, 2009).

This theory is broad and incorporate many actors like community, consumers, NGOs, shareholders etc. Out of this, the theory only associated as a motivation of leather industries to implement corporate Environmentalism with specific sakeholde which is community or resident near the leather industries. This show the leather industries would have been motivated by the theory if the stakeholders are strong and organized. However, many stakeholders in Ethiopia, especially the general public and NGO are not organized and lack knowledge and interest to motivate the leather industries.

- ***Government incentive***

Government incentive is another motivation assessed for leather industries in Ethiopia in this paper. However, no linkage between government incentive and Leather Industries' motivation to implement CE found. This is because the government incentive mechanism declared on the Environmental pollution control proclamation 300/2002 on Article 10 has not executed yet. The proclamation needs regulation for execution. But there is no declared regulation until now. (Interview with regulatory bodies, 2019). The incentive mechanism would make the leather industries motivate to implement water and energy-efficient technologies, modern wastewater treatment plants, and ultimately reduce Environmental Pollution.

Jaffe stated that flexible, incentive-oriented policy approaches are more likely to foster low-cost compliance paths than even prescriptive regulatory approaches. However, the regulatory bodies in Ethiopia preferred a rigid command and control / prescriptive/ regulatory approach. As a result of this, the government's interest to install the legal instrument to launch incentive mechanisms is low. (Jaffe et al.,2004).

- ***Resource Saving***

Many industries are motivated to implementing CE due to the reason they save energy, water, material, and waste reduction. For instance, DuPont which produce a broad array of industrial chemicals saved 2 billion by energy efficiency practice. Similarly, Dow Jones saved $2.4 million a year for an investment of $250,000 to capture part of a waste stream at a plant for reuse in another part of the plant (Polonski et al., 2001).

However, as the finding showed in practice section (4.2) of this case study, the leather industries in Ethiopia do not implement water, energy, and chemical saving measures. This clearly shows that the industries are not motivated by resource and cost-saving factors. The reason for this is that the electricity cost is low comparing other countries developed countries and water is free of charge since mostly they use groundwater. Moreover, the leather industries have not conducted any life cycle assessment and Environmental Audit to improve the effectiveness and efficiency of their process. This is a clear signal for the leather industries cost is not one of the motivation to practice and implement CE. In other words, The leather industries found a resource at a low cost as a result of that there is no wind of an opportunity to save cost.

The leather industries implement air compressor and smell reduction techniques as well as provide a ground water for the local community during the community could not access a water from the Addis Ababa Water and sanitation Authority in order to get acceptance and avoid complain. This is in line with the legitimacy theory. Eriksson stated that Organizations arrange their activities in accordance with the expectations of the society to strengthen its moral awareness, and show that they conform to external expectations in order to acquire the social endorsement that gives them the license to operate (Eriksson-Zetterquist, 2009). Similarly, Deephouse and Suchman believed that organization that lacks legitimacy or perceived as being illegitimate may have a hard time maintaining sustainable growth; good market share and profitability both on the short and long run(Deephouse and Suchman, 2008).

This theory shows a linkage to motivation of leather industries to implement CE. The leather industries implement different activates like providing water for the community and air compressor to avoid dust so that to get acceptance of the society. Since the leathe industries practice have a linage to this theory, the government could work on the theory to make the leather industries to implement more CE activities.

4.5. Barriers to Implement the Corporate Environmentalism

In the above section, the paper presented the practice and motivation of leather industries In Ethiopia to implement CE. This section presented the barriers that prevent the leather industries to implement and Practice CE activities.

To answer this particular research question, the study depended on the various possible barriers that are identified in the literature (Chapter 2) while exploring why the leather industries did not engage in CE. Accordingly, interview responses assessed in line with the barriers identified in the literature of this study: cost, government failure, market failure, consumer failure.

- **Cost**

Cost is the first barrier that comes out from the finding of this paper. As presented in the motivation section of this paper, the leather industries in Ethiopia are highly motivated by government regulations. In other words, the leather industries preferred to follow regulation rather than perform voluntarily or their environmental sensitivity is low. The government enforcement system is weak so the leather industries do not perform not even close to the standard. As a result of this, only spend what the regulatory bodies requested or less. The research could not find the budget allocated for CE by each industry because they were not willing to share such information. However, based on their performance and response from the regulatory bodies, the budget is low. As a result of that, they could not implement much of the corporate Environmental activities listed on the practice session of this paper. This is because they want to profit more money instead of spending money on CE which the government is not worried about.

On the other hand, non-compliance punishment does not cost more than the cost for the implementation of CE. The Environmental Pollution Control Proclamation No. 300 Article 16 declares that a natural person commits an offense to a fine of not less than one thousand Birr and not more than five thousand Birr and, in the case of a juridical person, to a fine of not less than five thousand Birr and not more than twenty-five thousand Birr. Whereas a wastewater treatment plant cost the leather industries more than Millions of Ethiopian birr. Moreover, the industries think implementing CE activities reduce their profit. This is because the leather industries had not considered environmental cost in their feasibility assessment and do not allocate enough budget for environmental Activities. But according to Lewis improved environmental performance does not always cost more (Lewis, 2001). This is a lack of knowledge on how to design CE and also the long-run benefit of protecting the environment.

The other barriers of leather industries prevent to implement the CE is government failure. Government failures expressed as government inaction, lack of policies and directions, inconsistencies, lack of leadership or weakness, or inadequacies of existing policies. Government failure is the biggest barrier to industries. This is because all the leather industries are motivated by government regulation and action as presented in the motivation section of this paper. When the government fails, the industries lack a strong motivation to implement CE. Campbell stated that the government guides enterprises to adopt environmental protection behaviors by formulating specific and detailed policies. Enterprises must improve production modes for institutional pressure. For instance, to avoid a fine or stopping business for internal rectification, they will implement ecological design and waste preprocessing, develop environmentally friendly products, and make legal production activities (Campbell,2007).

Both regulatory bodies and leather industries confirm that the Environmental law enforcement system is weak in Ethiopia. Moreover, the 2016 industrial assessment report published by Addis Ababa Environmental Protection and Green Development commission revealed that a large number of manufacturing industries are reluctant on cooperating with the government regulatory bodies, and the industries action for pollution control and emission reduction are negligible. Similarly, Visser stated that developing countries have the weak legal infrastructure and lack administrative efficiency as well as put low pressure on good business practices (Vsser 2006).

Ethiopia uses the command and controls regulatory approach for enforcement of Environmental regulations (Interview with regulatory bodies, 2019). This is another barrier which considered as government failures. Industries informed the effluent and emission standards, the kind of technology to apply, and even the certain manufacturing procedures to follow. However, compelling all industries to obey the same rules or use the same technology or facilities may be costly for both the industries and regulatory bodies. In addition, there will be fewer motives for industries to go beyond the regulations. Hana stated that the command-and-control regulatory approach compels all the companies to implement similar pollution control strategies, irrespective of the relative cost (Hahn and Stavins 1992). Instead of this, market-based regulatory instruments should be applied. It provides great flexibility and financial incentives, they can spur producers to adopt the new technologies and facilities to pursue better results to solve the environmental problems.

Inadequate space is another barrier. The Leather industries stated that they lack space to install a wastewater treatment plan specifically for the tertiary treatment plant. The regulatory bodies also acknowledge that inadequate space and said that they advise the leather industries to use compact technology that can be installed in a small area (Interview with regulatory bodies, 2019).

The other barrier assessed in this paper was a market failure. If the industries' market failed, they could not have much budget allocated for CE activities. Or if industries implement CE activates or produced green product, it would raise their running cost and which increase the product cost and reduce their competition in a market where polluting industries provide the same product with less price. However, the leather industries in Addis Ababa haven’t faced any market failure or shortage of money to implement CE. Most of the leather industries product is for export and high demand for Ethiopian leather and they are profitable. Hence market failure is not considered a barrier for the case of leather Industries in Ethiopia.

The findings of the study is summarized in Table below

Table 6.1 Summary of findings

Practice	Motivation	Barrier
• 2 leather industries have environmental Policy • None have neither EIA • 3 Industries have EMP • All dispose solid waste with municipal • All have both primary and Secondary waste water treatment plan • Only one industry have a territory waste water treatment plan • None have Environmental Audit, life cycle assessment, water and energy saving technology, • All have a chromium recovery technology • None have an Environmental friend chemical purchase	The following are which motivate leather industries to implement CE • Government legislation • Public Pressure The following are Which identified as motivation in literature but which does not motivate leather Industries for the case study • Shareholders • NGO's • Consumers • Government Incentives	The following are barriers of Leather industries to implement CE • Inadequate space (Land) • High Cost • Government failure(Government inaction, lack of policy, Inconsistency, lack of leadership The following are barriers identified by literature but not for the case industries • Market failure

The leather industries in Ethiopia practices, motivation and barriers are similar one to the other. This is because the stakeholders, consumers and the regulatory bodies are the same. This is in line with the theory of Institutional isomorphism. DiMaggio & Powell claim Institutional isomorphism when organizations facing similar environmental surroundings act and behave the same way (DiMaggio and Powel, 1983).

This theory shows a linkage of CE measures as well as same motivation and barriers. Since, all leather industries facing same Environment and implementing same CE measures. This means that if the stakeholders, consumers and regulatory bodies improved their knowledge and enforcement capacity, the leather industries would also change the CE practices to better performance.

Chapter Five

5. Conclusion and Recommendations

5.1 Conclusion

With the general objective of exploring Leather Industrial Corporate environmentalism practices to reduce environmental degradation and effort to manage natural resource, this study was conducted on six leather industries in Addis Ababa, Ethiopia. Accordingly, in this thesis work, an attempt has been made to explore the practice of corporate environmentalism as well as the motivation and barriers that enables and prevent leather industries to implement and practice corporate Environmentalism.

With regard to practice, the leather industries have a huge gap implementing different corporate Environmentalism activities. Whereas, the leather industries do not have an internal motivations to implement corporate environmentalism but external motivation like government regulation motivates them. Moreover, the leather industries have differ barriers which hinders them not to practice corporate environmentalism.

5.2 Recommendations

Accordingly, based on findings of the study on Practice and Mechanism as well as the motivation and barriers of leather industries Corporate Environmentalism the following actions are recommended:

- The Addis Ababa Environmental Protection and Green Development and Environment, Forest and climate change commission an should strength the enforcement system and mechanism
- The Addis Ababa Environmental Protection and Green Development and Environment, Forest and climate change commission must establish a system to incentivize and motivate those well performing industries based on their environmental performance.

- Addis Ababa Environmental Protection and Green Development and Environment, Forest and climate change commission should provide Environmental awareness in a continuous manner to all Industries.
- The leather industries should adopt Environmental Policy and Environmental unit for proper implementation

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Appendix 1**: Interviews questions for Leather Industries Industries**

I. Respondent's Demographic Profile

Institutional affiliation________________________________

Gender____

Age____

Occupation/Rank_____________________________________

Completed/ongoing educational attainment _______________

Years of service at present work________________________

Practice of CE

1. Do you have an environmental policy
2. Do you have an environmental department? How does it organized? How many experts are there? How experienced are they in the sector?
3. Do you have an ISO certification?
4. Have you conducted an Environmental Impact Assessment? If yes when?
5. Do you do monitoring based on the EIA documents required? To whom do you send the monitoring report? Do you have a database of the reports?
6. Have you conducted an Environmental Audit?
7. Do you have a waste water treatment plant? Which kind? How do you do to improve it efficiency and effectiveness?
8. How do manage the solid waste? What have you done to prevent or reduce or recycling your waste? What are the major wastes?
9. What is the source of water? What are you done to save water or contributed to water management?
10. What have you done to limit or offset you emission?
11. What is your source of energy? What have you done to save or reduce energy?
12. Do you use sustainable packing?
13. Do you use a life cycle assessment?
14. What effort you put to reduce or substitute Chromium
15. Do you use life cycle assessment

Motivation

1. What are your major motivations to implement CE?

- Government Environmental legislations or others
- Government incentive
- Cost savings
- Market advantage

- Protecting or enhancing reputation or brand
- Pressure from stakeholders (Shareholders, public, NGO and consumers)

2. What are the government legislations (Environmental) that motivates you firm to implement CE?
3. What kind of incentives you received from the government to practice CE? What is it weakness and strengthen of incentivizing mechanism?
4. What kind of Environmental activities you done to save cost
5. Have you got a market because of you implement CE?
6. Have you enhance your reputation by implementing CE?
7. Do you have a stakeholder (Shareholders, public, NGO and consumers) influence to implement CE? Which stakeholder influences much? How and why they influence your firm

Barriers

1. What are the major barriers for implementing corporate environmentalism in your firm?

- Cost
- Government failures
- Technology
- Societal/consumer failure
- Corporate culture/leadership failure
- Market failure

2. Do you have enough budgets for CE?
3. How are the cost of technology, chemicals etc to implement CE? If it is costly, why?
4. How do you get the support and follow up as well as the execution of government specially the Environment, Forest and Climate Change commission, Addis Ababa City Environmental protection and green development commission as well as the Ethiopian leather development institute?
5. Have you faced a bankruptcy or do you face market failure?
6. Do you have consumers who want an environmental certification?
7. Do you have an access for Best Available Technologies to mitigate negative impacts on the Environment?
8. Do your shareholders or owners are sensitive to the Environment

Appendix 2: Interviews questions for regulatory bodies Ethiopian leather industry development institute, Environment and Forest and Climate Change commission and Addis Ababa Environmental protection and Green Development Commission

1. **Respondent's Demographic Profile**

Institutional affiliation________________________________

Gender____

Age____

Occupation/Rank_____________________________________

Completed/ongoing educational attainment _______________

Years of service at present work________________________

1. Can you briefed the Environmental management in Ethiopia and how the regulatory bodies structured
2. What environment protection policies do you have?
3. What environment-related responsibilities do you expect businesses operating in the country need to discharge?)
4. How do you describe the firms' activity to protect the environment?
5. What has the industries done good to protect the environment?
6. What has not done and degrade the environment?
7. What could the industries have done?
8. What support you give them to implement CE? What opportunities are there?
9. Is there incentives mechanism?
10. How do you enforce environmental laws?
11. What do you do for non-compliance? What are the challenges to enforce the laws?
12. Which mechanism were you using, market based or command and control, to enforce? Are you well familiar about the mechanism?
13. Is there any initiation regarding the market based approach
14. How frequent you check their performance? How do you check it? What are the challenges?
15. Is there a mechanism that you communicate with industries? What is the mechanism and how frequent?
16. Do you they have an EIA and do Environmental Audit periodically?
17. Is an Environmental Audit Mandatory?
18. What the expected to renew license?
19. What has done to avoid chromium and other toxic materials?
20. Do they have the have a waste water treatment plan? How good it is? How do you check it efficiency?
21. How do control emission?
22. How are they regarding solid waste management?

Appendix 3**:** List of respondents

s.No	Name	Position	Institution
1	Mehari wondemage	Director General, Environmental Compliance and Monitoring	Environment, Forest and Climate Change Commission
2	Abate Getenet	Developmental institution environmental law compliance, monitoring and regulating director	Environment, Forest and Climate Change Commission
3	Kassahun Tsegaye	Expert in Developmental institution environmental law compliance, monitoring and regulating directorate	Environment, Forest and Climate Change Commission
4	Gutema Moreda	Deputy Commissioner	Addis Ababa City Administration Environmental Protection and Green Development Commission
5	Lemisa Gudeta	Director, Environmental Pollution and Climate Change directorate	Addis Ababa City Administration Environmental Protection and Green Development Commission
6	Bayu Tesfaye	Expect	Addis Ababa City Administration Environmental Protection and Green Development Commission
7	Zerfe Degefu	Director,	Ethiopian Leather Industry Development Institute
8	Molla Ketemawe	Environmentalist	Addis Ababa leather
9	Enderise Yimer	Manger	Addis Ababa leather
10	Getachew Abebe	Environmentalist	Abyssinia leather

11	Taye kebede	Manage	Abyssinia
12	Solomon Alebachew	Environmentalist	Awash
13	Dula Mekonnen	Manager	Awash
14	Melaku Alemayehu	Manager	Waliya
15	Gadisa Tesema	Environmentalist	Waliya
16	Tatike Yirga	Manager	Batu
17	Samuel Belayenh	Environmentalist	Batu
18	Ayano Girma	Environmentalist	New wing
19	Abinet Kelkayi	Manager	New wing