

The Voluntary Environmentalists: Green Clubs, ISO 14001, and Voluntary Environmental Regulations. By Aseem Prakash and Matthew Potoski. Cambridge, United Kingdom: Cambridge University Press, 2006. Pp. 198. \$95.00 cloth.

Reviewed by Cary Coglianese, University of Pennsylvania

Scores of voluntary, nongovernmental environmental programs have cropped up over the last few decades. In *The Voluntary Environmentalists*, political scientists Prakash and Potoski contribute thoughtfully to the study of these nonlegal forms of business governance, such as ISO 14001 and the chemical industry's Responsible Care program. ISO 14001 refers to a series of certifiable standards—established by the nongovernmental International Organization for Standardization—to guide businesses in setting up internal environmental management practices and procedures. Responsible Care consists of a similar set of environmental management guidelines, compliance with which is required for all members of the chemical industry's major trade association. Prakash and Potoski begin their book by applying economists' club theory to voluntary environmental programs and then proceed to analyze empirically one of the more prominent examples of these "green clubs."

Green clubs offer members nonrival but excludable benefits, such as a positive reputation and goodwill with regulators, customers, and community members. They also may offer society improved environmental quality, since businesses that join might improve their performance. But green clubs face two competing challenges: (1) attracting members, and (2) making sure members live up to group standards. The authors hypothesize that more demanding standards will generate greater external goodwill—but will also be more costly to meet, thus working against attracting new members. Furthermore, once companies join a green club, they reap the reputational benefits whether or not they take the club's standards seriously. To counter such shirking, a green club must monitor and enforce its standards, lest the club lose credibility.

Prakash and Potoski articulate four ideal types of green clubs, based on whether they have weak or strong *standards*, as well as weak or strong *enforcement*. They predict that the clubs with strong enforcement will be most likely to be effective in improving firms' environmental performance. In this way, the book helps fill a need for "a generalizable theoretical framework that accounts for varying efficacy across programs" (p. 38)—a theory, in short, of the successful green club (p. 67).

It is mildly disappointing the authors abandon their consideration of this theory after the second chapter. The book's empirical chapters focus on a single club, ISO 14001, albeit one the authors believe has

strong enforcement because members independently certify that they have met ISO standards. Instead of testing their theory of club efficacy, the authors investigate two other questions: What factors correlate with decisions to seek ISO certification? Is ISO certification associated with improved environmental and regulatory performance?

These are important questions, and the authors draw on multiple methods to answer them. The book suggests that facilities facing more stringent regulations and more frequent regulatory inspections are more likely to seek ISO certification, as are facilities located in more highly educated communities. Other community features, though, do not turn out to be significant. Notwithstanding the authors' assertion that higher community wealth matters (p. 143), neither the income level variable in Table 4.5 nor the book's discussion of statistical results (p. 141) supports any association between certification and community income.

The issue of ISO certification's relationship with regulatory compliance and environmental performance has been widely studied, but with conflicting results. Selection bias has plagued previous studies, given that facilities themselves choose whether to seek certification. Prakash and Potoski respond by nesting a model of certification within a treatment effects model. Consequently, when they find that ISO-certified facilities exhibit statistically significant decreases in reported toxic releases and increases in time spent in regulatory compliance, we can be better assured the results do not stem merely from who happened to have signed up for ISO.

In this way, *The Voluntary Environmentalists* marks an important empirical advance. However, it will not settle the debate over how well ISO certification signals corporate responsibility. The book's findings, on their face, are not substantively significant. Once other factors are controlled, ISO-certified "facilities spent on average *one week* less time out of compliance with government regulation," at best only "a somewhat modest improvement" (p. 166; emphasis added). In terms of toxic emissions, Prakash and Potoski's results are "difficult to interpret" but also "not a very large improvement difference" (p. 166). Assuming the emissions data are normally distributed, ISO-certified facilities rank at most only 3 percentiles above noncertified facilities.

Moreover, the authors fail to consider whether their modest results are merely artifacts of improved paperwork processing instead of increased responsibility. The compliance measure encompasses "whether a facility is out of compliance . . . for the *procedural* requirements of its operating permit" (p. 152; emphasis added). Firms meeting ISO's "[p]rocess or management systems-based standards" (p. 177) presumably can be expected to handle better their myriad paperwork compliance obligations. As to environmental performance, the authors use data reported by facilities themselves. Al-

though widely used by researchers, these data generally stem from estimates based on engineering models—even, at times, on informed hunches—rather than on direct emissions monitoring. ISO-certified facilities may have adopted internal procedures that enable facility managers to have greater confidence in their estimation techniques, which means less need to “round up” to protect against liability for underreporting. And if certification elicits goodwill from regulators, facilities have less reason to report conservatively.

The authors’ results could just as easily support the view that certified facilities do a better job filing required reports and have fewer tendencies to overstate their reported emissions—instead of actually making the environment cleaner, one of the principal assumptions underlying support for green clubs (pp. 10, 18). The failure to acknowledge such a plausible alternative might not merit mentioning if the authors had consistently tempered their claims. Although generally quite careful, the authors still over-claim in prominent sections of the book. For example, they assert unequivocally that “ISO 14001 induces firms to pollute less and better comply with government regulations” (p. xii; see also pp. 186–8 and the book’s jacket). Not only might the causal account remain open, but the most they show is that industry’s own *self-reported* emissions turn out slightly lower in certified facilities.

That a few claims reach too far should not detract from Prakash and Potoski’s noteworthy contributions to the study of green clubs. But neither should their occasional over-claiming deter others from undertaking future empirical research in this area. Indeed, if the efficacy theory the authors enumerate is correct and clubs’ success depends on demonstrating that members are more than just “greenwashes” (p. 67), scholars have a particularly valuable, ongoing role to play in helping regulators and citizens alike to decide whether green clubs actually provide a credible signal of responsible corporate behavior.

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Unequal Under Law: Race in the War on Drugs. By Doris Marie Provine. Chicago and London: University of Chicago Press, 2007. Pp. viii+207. \$18.00 paper.

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In recent years, a number of scholars have documented the accumulating consequences of America’s decades-long commitment to imprisonment as the primary response to drug offenses. In *Unequal Under Law*, Doris Marie Provine adds to this important literature with her examination of the racialized histories of America’s harsh-