The Environmental Consequencesof Shared Governance

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Abstract

I study collaborative wrongdoing by asking whether and why shared governance
arrangements among self-interested actors may yield worse public bads than standalone
corporations. Leveraging the business case for sustainability and using an abductive theoretical approach on a six-year Canadian panel (2004-2009) of 2,131 heavy polluters and 10,355 facility year observations, I show that, on average, joint venture facilities use and emit significantly more hazardous chemicals than do independent actors. However, ownership (a)symmetry presents a critical contingency for collaborative wrongdoing. I find that symmetric joint-venture facilities outperform both asymmetric joint-venture and independent facilities, even though foundational theories within the business case for sustainability suggest that ownership symmetry will confound the mechanisms that transform social into economic value.