

CORPORATE ENVIRONMENTAL RESPONSIBILITY AS A NEW CONCEPT TOWARDS SUSTAINABLE DEVELOPMENT

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Environmental problems are often seen as unregulated negative externalities. In this case, environmental costs are considered as external, arising from economic activity, and these costs are generally not reflected in market prices.

On the way towards sustainable development significant changes in economic and social life are needed in terms of reducing the negative impact on the environment. In this case environmental aspects of business are also under consideration (including voluntary development and implementation of environmental programs by the companies).

Corporate environmental responsibility is known as the environmental perspective of corporate social responsibility [4]. Corporate environmental responsibility is defined as practices that benefit the environment (or mitigate the adverse impact of business on the environment) that go beyond that which companies are legally obliged to do [5].

Recent research has examined the adoption of environmental management practices by organizations indicating that companies are increasingly paying attention to their impact on the environment and adopting management practices to ameliorate or reduce their negative impact on the environment [11; 12; 13]. In recent years the environment has been one of the factors of the greatest interest in terms of the market's attitude towards corporate social responsibility [3].

Practicing corporate social responsibility with the environmental protection and sustainable development perspective can become the strategic decision that influences the internal development of the firms, the relationship among stakeholders, organizations, and governments [8].

Corporate responsibility can be used as the strategic intangible assets, which can be a source of competitive advantage [7]. Firms can take their corporate environmental responsibility as a key to gain the competitive advantage, reputation, and image of the company [2].

Company's reputation is an important factor of competitiveness in the market. Nowadays when the concept of sustainable development is becoming a key one, corporate reputation should also consider the impact on the environment and the introduction of environmental responsibility.

Moreover, firms should consider environmental protection as a competitive advantage rather than as additional charges or a pending threat [9]. In addition, the competitive advantages of environmental responsibility can be not only internal, but can also become external ones - social legitimacy, transparency and cooperation with business, society and the government [6]. As a result, the company can get public

reputation and improve the brand image, and increase the value of its intangible assets [8].

In addition, both government and society get benefit from the introduction of corporate environmental responsibility, for example:

- 1) solution of the main environmental problems in the country;
- 2) compliance with legislation and global Economic standards, taking environmental issues into account;
- 3) public health preservation;
- 4) etc. [8].

According to the surveys made in Germany the main incentives of the companies to provide environmentally-friendly activities are the next ones:

- 1) environmental / social responsibility (30.5%);
- 2) legislation / state regulation (22.5%);
- 3) guarantee of the company's viability / risk prevention (12.1%);
- 4) company image (9.2%);
- 5) etc. (25.7%) [10].

Therefore, the role of the government is really great in this question. And corporate environmental responsibility has to become not just voluntary measures, but those supported and encouraged by the government [8].

Thus, in order to achieve sustainable development in the country and in the world, corporate environmental responsibility should not be isolated cases or an attribute that provides an appropriate reputation on international or domestic markets, but should become a life philosophy for the society, business and the government [1]. And companies should focus on all the aspects of sustainable development - economic, environmental and social ones.

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