

Discourse and Institutions: Why Keystone XL
Was Approved, and Why It Was Not

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July 6, 2021

Keystone XL shutdown may signal the end of major U.S. oil infrastructure

– Freitas et al. for *World Oil* 2021

The fossil-fuel industry’s aura of invincibility is gone. They’ve got all the money on the planet, but they no longer have unencumbered political power. Science counts, too, and so do the passion, spirit and creativity of an awakened movement from the outside, from the ground-up.

– McKibben for *The Guardian* 2015

Over the last 30 years, the business community and business scholars have taken up a great interest in environmental impacts, and environmental sustainability. The academic landscape in this area is characterized by a giant chasm right through the middle. At the heart is an enormous amount of environmental data that has been produced by businesses, for businesses. On one side of the chasm, this abstract data is assembled into neat insights on business and environmental impacts, or investor attitudes on the environment (Flammer & Bansal, 2017; Yan et al., 2021, e.g.,). On the other side of the chasm, there is a stream of literature that disassembles and question the validity of the metrics and indicators (Chatterji et al., 2016; Chatterji et al., 2009; Eccles et al., 2020, e.g.,).

Organizational theorists *have* previously circumnavigated the chasm. Before the *business case for sustainability*, and before ESG indicators had become a mainstay in the business literature, institutional theory and qualitative methods were routinely used to explore environmental phenomena (Hoffman, 1999, e.g.,). Where social action is based on values and beliefs, on what is *legitimate*—as is the case for environmental impacts—institutional theory is uniquely suited for the task. Maguire and Hardy (2009) went one step further by selecting a case study with clear, *positive* environmental implications. Their research on DDT showcases the potential for environmental contexts to benefit the discourse on institutional theory, when values and beliefs as well as environmental outcomes are salient in the empirical context.

Unfortunately, such is the trajectory of global emissions that the ideal case scenario—longitudinal, participatory research—is destined to find negative performance (Wright & Nyberg, 2017, e.g.,). As a result, research that applies institutional theory typically falls into two camps: studies on *unsustainability* (Ergene et al., 2020) or studies on cases that are selected for their noteworthy positive outcomes.

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