



Voluntary Sustainability Standards

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Leuven Centre
for Global
Governance Studies



VSS

- Two reflections
 - Impact
 - Complementarity/harmonization
 - Barriers to cooperation
- Following questions:
 - Where do VSS come from?
 - How do they operate and differ?
 - What drives their adoption?
 - What is their impact?
 - Where are they mainly active (ie adoption on the country level)?
 - What role is there for governments and international development?

VOLUNTARY SUSTAINABILITY STANDARDS An Overview

ACROPOLIS REPORT- KLIMOS



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Impact



Impact

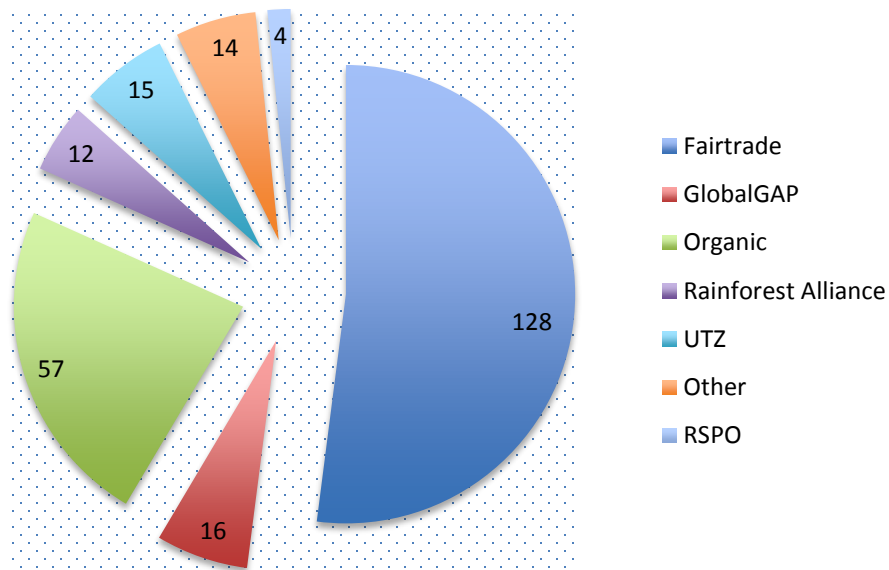
- Many different studies – many different results
- Agricultural commodities – meta-reviews
 - FAO (2014) – 101 studies screened - 30 studies discussed
 - ITC (2011) – approx. 50 studies
 - Two original studies (coffee, tea and horticulture):
 - SOAS (Fairtrade) 6 sites selected as control and 6 as treatment in Ethiopia and Uganda
 - Greenwich (fair trade, rainforest Alliance and UTZ) Ethiopia, Uganda, Ghana, Ecuador, Kenya and India
- Forest
 - Web of Science (2010-2015) – 50 screened - approx. 30 discussed



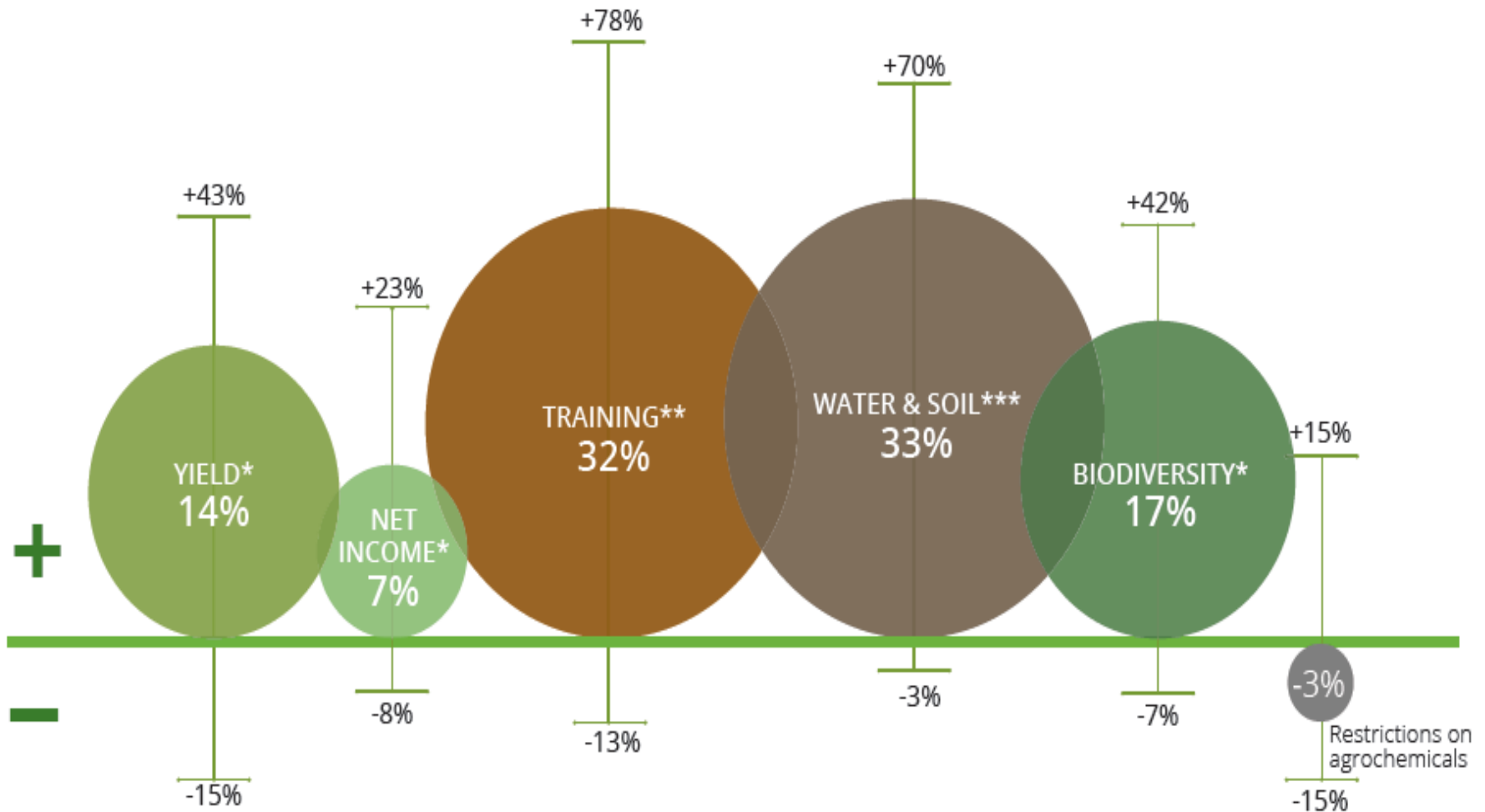
Agricultural commodities

Impact indicator	ITC (2011b)			FAO (2014)			Greenwich (2014) ^d			SOAS FTEPR (2014) ^d		
	Positive	No Impact	Negative	Positive	No Impact	Negative	Positive	No Impact	Negative	Positive	No Impact	Negative
Producer Profitability												
Price	10	3	0	22	10	1	NI	NI	NI	NI	NI	NI
Yield	1	0	2	11	9	4	3	2	NI	NI	NI	NI
Quality	2	2	0	5	2	0	3	2	NI	NI	NI	NI
Net Income	8	4	2	16	12	2	3	3	NI	1	0	5 ^e
Production Costs*	NI	NI	NI	3	7	14	NI	NI	NI	NI	NI	NI
Compliance Costs*	NI	NI	NI	0	2	4	NI	NI	NI	NI	NI	NI
Business Opportunities												
Inclusion of different segments	NI	NI	NI	NI	NI	NI	4	3	NI	0	0	6
Process Upgrading	0	4	0	11	NI	14	NI	NI	NI	NI	NI	NI
Access to credit, input, markets	5	0	0	22 ^a	NI	15	5	0	NI	NI	NI	NI
Farming and management capabilities /Knowledge transfer	4	0	0	8	NI	NI	5	1	NI	NI	NI	NI
Credibility	0	0	0	7	NI	NI	NI	NI	NI	NI	NI	NI
Socio-economic Development												
Wealth	2	3	0	NI	NI	NI	7 ^b	6	NI	0	0	6
Food Consumption	2	0	0	NI	NI	NI	NI	NI	NI	0	0	6
Education and Health	3	0	0	NI	NI	NI	NI	NI	NI	0	0	6
Working conditions	1	2	0	NI	NI	NI	1	1	NI	NI	NI	NI
Employment	2	0	1	NI	NI	NI	NI	NI	NI	0	0	6
Community strengthening	3	1	1	NI	NI	NI	NI	NI	NI	NI	NI	NI
Gender balance and equality	0	4	0	NI	NI	NI	3	5	NI	0	0	6
Environment												
Soil	1	0	1	NI	NI	NI	NI	NI	NI	NI	NI	NI
Resource Conservation	1	1	0	NI	NI	NI	5	NI	NI	NI	NI	NI
Bio-diversity	1	0	0	NI	NI	NI	NI	NI	NI	NI	NI	NI
Wider Impacts/Spill-over effects	NI	NI	NI	NI	NI	NI	5	2	NI	NI	NI	NI

Impact studies



Comparative results



Forest Certification

- **Organizational impact and change:** whether forest certification has changed forest management practices of firms, ie changes in terms of practices and procedures and how many changes firms implement.
- **Social impact:** relations between communities with logging companies (transformation of social relations in forest sector) – impact on labour conditions in forest sector
- **Economic impact**
 - In terms of price premiums, market access or increased consumer demand.
 - Degree to which certification transfers knowledge and might create innovation, better practices, etc.
- **Governance impact:** intersection between certification and the enforcement of existing national legislation + strengthening of ‘local’ governance
- **Environmental impact:** biodiversity



Discussion Impact

- Impact on many different aspects analyzed
- Inconclusive results - > Some studies find positive effects others no or negative effects
 - Difficult to draw conclusions from single studies
- Some studies find impact on 'side' aspects: innovation, training, social capital, risk behavior, organization of certified entities, etc.



Complementarity/harmonization



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Complementarity

- Strengthening complementarity implies further cooperation between standards
- Barriers to cooperation
 - Differences in logic/vision
 - Differences in standards
 - Differences in enforcement
 - Limited mutual recognition



Differences in vision/logic

- Compliance versus developmental/learning
 - What is the ultimate aim?
 - Monitor compliance with standards
 - Set firms, producers, certified entities on a learning process towards sustainability
- ‘Gold’ standard versus ‘Inclusive’ standard
 - Work with few but committed organizations
 - Try to include as many as possible



Differences in standards

- Not all VSS include the same standards
- Ex. ILO conventions on FoA and CB
 - ITC Standards map
 - Approx. 150 VSS included (2015)
 - Around 80 include standards on FoA and CB in reference to ILO conventions
- Many possible other differences concerning standards
- No real ‘standard’ set of standards included in all VSS



Differences in enforcement design

- Links to conclusion paper Vanderhaegen: lack of compliance and enforcement
- Analysis data: Ecolabel Index Database (2011) – more than 400 labels
- Distinguish types on at five dimensions (each component can be present (1) or absent (0))
 1. Who sets the standards
 2. (Ex-ante) Conformity assessment procedures
 3. (Ex-post) Verification mechanisms
 1. Transparency
 2. Complaint System
 4. Sanctioning -> CAP



Table 2: A Configurational Assessment of the Institutional Design of Certification Systems

Configuration	SSP	CA	CAP	T	DS	# Cases
1	1	1	1	1	1	12
2	1	1	1	1	0	14
3	1	1	1	0	1	23
4	1	1	0	1	0	5
5	1	1	1	0	0	48
6	1	1	0	0	1	10
7	1	0	1	1	0	5
8	1	0	1	1	1	2
9	1	1	0	0	0	107
10	1	0	0	1	0	3
11	1	0	1	0	1	3
12	0	1	1	0	0	1
13	1	0	1	1	0	2
14	1	0	0	1	1	1
15	1	0	1	0	0	37
16	1	0	1	0	1	1
17	0	1	1	1	0	1
18	1	0	0	1	0	2
19	1	0	0	0	1	4
20	0	1	0	0	0	7
21	1	0	0	0	0	136
22	0	0	0	0	0	3

Differences in enforcement design

- Case study FWF -> Now more elaborate forms of compliance – ‘multi-level verification processes’
 - Audits by the certified sites themselves with regular reporting
 - Audits by accredited third parties (consultancies)
 - Audits by VSS themselves with extensive site visits – with off site interviews with NGOs, workers, etc.
 - Audits which take sometimes more than a week
 - Complaint systems on level of VSS and firm
 - Transparency measures



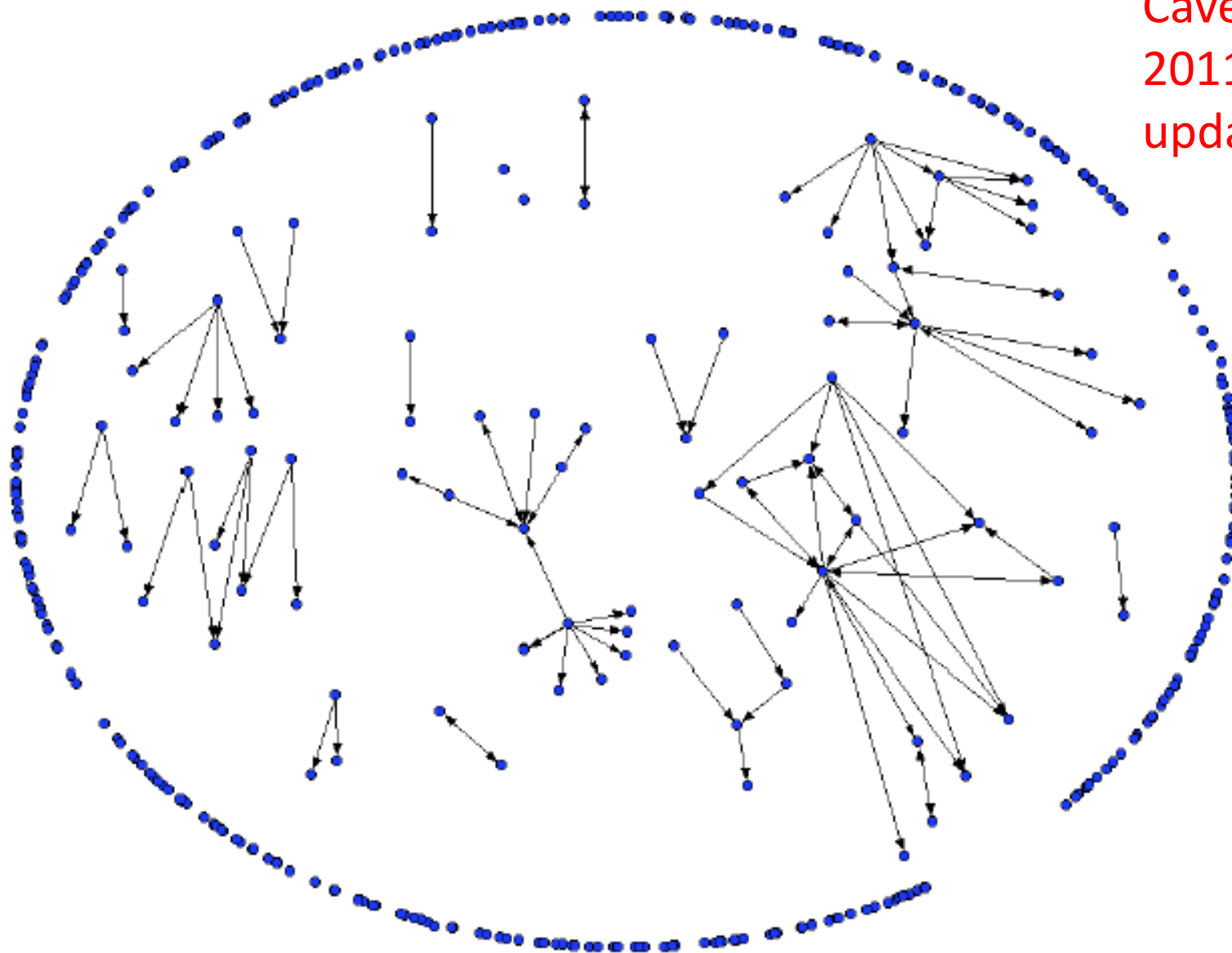
Mutual Recognition

- One way to capture the degree of cooperation is to look at mutual recognition
- VSS Z recognizes VSS X as being equivalent
 - If producer A complies with the standards of Z, then A also complies with the standards of X and A can use also logo of X
 - Recognition can be **mutual** (X recognizes Z and Z recognizes X) or **one-directional** (X recognizes Z, but Z does not recognize X)



Figure 2: Network Graph of Equivalence Recognition of 426 VSS

Caveat: data
2011 -
updating



Density (proportion of equivalence recognitions on the potential total of recognitions) \Rightarrow 0.005 (extremely low)

Thank you!



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