

# Sustainable meta-labeling: an effective measure to facilitate more sustainable consumption and production?”

Leonie Dendler

*Sustainable Consumption Institute, Manchester Business School and Tyndall Centre for Climate Change Research, University of Manchester, UK*

**Abstract:** One of the most prominent measures to facilitate more sustainable production and consumption has been the instrument of product labelling. But with a plethora of labelling schemes having been implemented over the last decade many now accuse them of being confusing rather than facilitating. As a result, governments in France, UK and Germany, as well as businesses such as Walmart and non-governmental organisations like WWF have begun to consider seriously the implementation of some form of ‘meta’ scheme that condenses existing product labels and other communication measures. Using a novel theoretically integrative framework to analyse the current labelling arena, this paper investigates different implementation options for such an overarching scheme and discusses what their prospects are for effectively guiding behavioural changes across the production and consumption system. The findings suggests multiple potential hurdles for the effective institutionalisation of a sustainability meta labelling scheme, the most problematic of which is probably finding agreements on focus and trade off decisions in a way that ensures a balance between understandability, procedural and consequential legitimacy aspects.

## 1 Introduction

The importance of enhanced product information has been repeatedly highlighted in policy reports and declarations such as the UN Agenda 21 or the EU Sustainable Consumption and Production Action Plan and product labelling schemes have since become one of the most prominent measures to facilitate more sustainable production and consumption. They generally consist of three main building blocks, which are usually formalised and coordinated by a central labelling organisation:

1. Standardisation to function as an external point of reference and a codified basis for conveying sustainability related information.
2. Assessment to what extent the specifications of that standard are met.

3. Information aggregation, meaning condensing of the assessment results, including the criteria against which the assessment has been conducted, into higher level information that is displayed with or on the product (Hansen and Kull, 1995; Cassell and Symon, 2006).

The third step distinguishes sustainability related product labelling from certification schemes. While certification is often an inherent part of the product labelling process, not all certification schemes communicate with or on the product.

During the last decades a variety of different product labelling schemes have evolved around these three building blocks. For example “seal-of-approval programmes” (United States Environmental Protection Agency, 1998), such as the Marine Stewardship Council (MSC) or Fairtrade scheme, award the use of a symbol to products that the labelling organisation judges to be less environmentally or socially harmful based on a set of sustainability related award criteria. A subcategory of seal of approval labels are ISO type one (so far only eco-) labels, such as the EU ecolabel, which review and tighten their (usually wide scoped) standards on a regular basis. Product declarations or ISO type three labels use a standardised format to categorise and quantify multiple (environmental) impacts of a product. While they used to be applied mainly in business to business relations, type three labels, such as the EU energy or recent carbon labelling schemes, are now also increasingly being used in household consumer relations. Over the last few years it has been considered, especially in France, to further expand wide spanned type 3 declarations towards interactions with household consumers (see Vergez, 2012 but also European Commission, 2011; Christiansen et al., 2006, and Schmidt and Brunn-Poulsen, 2007).

In addition to these considerations to provide more comprehensive information about the overall environmental footprint of products, various actors (see e.g. Sustain, 2007; Eberle, 2001; Eckert et al. 2007, Frankl et al. 2005; Mazijn et al., 2004; Teufel et al., 2009) have called for the introduction of some form of overarching sustainability product labelling scheme to address confusion and in fact often tension between product labelling schemes focussing on environmental and ones focussing on social aspects. Some schemes, such as the 'PRO PLANET' label implemented by the German retailer REWE (Rewe Group) or a new climate label in Sweden (Klimatcertifiering för Mat), have already been implemented in line with such calls.

However, the ecolabel index currently already lists 430 product labelling schemes that focus on one or another aspect of sustainable development (<http://www.ecolabelindex.com/>). This plethora is accompanied by a multiplicity of standardisation schemes defining different criteria to evaluate processes, organisations and products against the notion of sustainable development for certification, labelling and other purposes. During the last years more and more actors from NGO, business, academic and governmental organisations have criticised this multiplicity mainly for causing confusion on the side of household consumers (see e.g. ISEAL Alliance, 2011; Allison and Carter, 2000; EurActiv.com 25. February 2008; The Commission of the European Communities, 2009; Kreeb and Schulz, 2003; Gallastegui and Spain, 2002; Proto et al., 2007; Banerjee and Solomon, 2003; Kaphengst and Schlegel, 2009). This has build up increasingly dominant demands for a unification and harmonisation of existing schemes. The UK House of Common Environmental Audit

Committee (2009, p.8) for example promoted in 2009 “the simplification, unification and verification of environmental labelling, preferably into a single sector-based universal scheme incorporating different key elements as in emerging food labelling schemes”. In Germany a report for the German ministry of consumer protection, food and agriculture suggested the implementation of a ‘sustainability meta label’ at the point of sale that highlights the most sustainable products based on a summary of existing labelling schemes (Baedeker et al., 2005).

In the light of these calls, some of the recently implemented product labelling schemes try to function as a “plug-in-module for existing sustainability labels or standards” (Klimatcertifiering för Mat). Moreover, several meta initiatives have evolved. The ‘internationally coordinated ecolabelling system’, GENICES, by the Global Ecolabelling Network (GEN) for example aims to harmonise standards across different ecolabels as well as the procedures these schemes are based on (GEN). The latter has been addressed through the implementation of a meta assessment that certifies the adherence of ecolabels with a defined code of good practice (GEN). Another important development can be found in the biofuel sector, where the European Commission has defined what some refer to as a sustainability “meta standard” (Dehue et al., 2007, p. 4). Compliance with the criteria of that standard can be shown through adherence with existing product labelling or standardisation schemes, so called ‘qualifying standards’ (Dehue et al., 2007; European Commission 2010; European Commission 2009; Upham et al., in review; Lin, 2010). In a report commissioned by WWF Germany Schlegel et al (2008) have discussed an expansion of this novel approach into a ‘Global Standard-Setting Scheme for Natural Resources’. Attempts to implement a scheme along these lines can be found already with the NGO ‘People4Earth’ (People4Earth.org, 2012) as well as the Sustainability Consortium (Arizona State University and University of Arkansas, 2009-2011).

Some of these meta initiatives have also initiated a unification of the communication with or on the product. For the Sustainability Consortium one of the final aims is to enable direct comparison of two products in regard to their relative impacts on sustainability (Arizona State University and University of Arkansas, 2009-2011). This resonates with the original aim of Walmart, the founder of the Sustainability Consortium, to build “a simple rating for consumers about the sustainability of products” (Walmart, 2010). It could be imagined that Walmart could follow the organisation ‘GoodGuide’ at this point, which assigns an overall sustainability rating to products partly based on existing certification and product labelling schemes.

Yet despite some major initiatives having started to move into the direction of establishing some form of sustainability meta labelling scheme, comprehensive theoretical investigation of how such schemes could become institutionalised are so far lacking. After briefly outlining the methodological and theoretical foundation of this study, this paper will address this research gap by discussing the prospects for and potential problems associated with an effective institutionalisation of a sustainability meta labelling scheme.

## 2 Theoretical foundation<sup>1</sup>

Product labelling schemes can be considered as aiming to provide order to social action in a Weberian sense. But because the degree to which social action is oriented in line with the maxims of an order can vary (Weber, 1922), product labelling schemes can have different degrees of effectiveness in guiding behavioural changes across the production and consumption system. The question is what determines this degree, referred to in the following as the institutionalisation of a particular order, in this case the order provided by a product labelling scheme.

For the evaluation of this question this study bases on the emerging literature on constructivist institutionalism as well as Finnemore and Sikking's (1998) concept of a norm life cycle and Greenwood et al.'s (2002) model of institutional change. Offering a crucial bridge between structure and agency, these perspectives establish product labelling organisations as institutional entrepreneurs who can actively influence the interactive and socially embedded institutionalisation of a product labelling scheme.

To help understand what drives the degree to which their entrepreneurial activity resonates with greater societal support and aligning of social activity with the maxims of the product labelling scheme, the concept of legitimacy seems particularly useful. Mainly drawing from the organisational studies literature, legitimacy is here understood to be comprised of three dimensions: a pragmatic, a normative and a relational one (Suchman, 1995; Tost, 2011).

The pragmatic dimension takes from rational accounts that actors (including entrepreneurs but also other actors in the production and consumption system) are strategic, seeking to realise goals and product labelling schemes can be more or less instrumental in achieving these goals. Such goals can resemble for example a consumer's interests in purchasing more sustainably produced products or producers, manufacturers and retailers interests in meeting such demands, improve their overall image or safe guard future supplies.

Next to pragmatic dimensions actors take into account societal models of appropriateness, referred to as 'normative legitimacy'.<sup>2</sup> If associated with taken-for-granted institutions, the labelling organisation might even circumvent active legitimacy evaluation and achieve a passive aligning with its order. This strong form of normative legitimacy can be referred to as 'cognitive legitimacy'.

Thirdly, relationships and mutual dependencies between actors can influence perceptions of both normative and pragmatic legitimacy through the social control of organisations (Pfeffer and Salancik, 2003), processes of isomorphism (DiMaggio and Powell, 2008) and individual identity building (Wallenborn, 2007; Young, 2008; Pedersen and Neergaard, 2006). Tost (2011, p.696) describes how legitimacy judgements are often based on observations of endorsements from other actors in the field, referred to as "validity cues".

<sup>1</sup> The following section is a brief summary of Dendler (in progress).

<sup>2</sup> In fact, unlike in rational institutionalist' conceptualisations, goals and preferences are considered in this study as a complex, contingent, and constantly changing social construction of which societal models of appropriateness are an inherent part (Hay 2006). This makes normative and pragmatic legitimacy evaluations usually difficult to clearly separate and a separation between them is mainly assumed for analytical purposes.

The relational perspective introduces a more systematic understanding of the institutionalisation of product labelling schemes. It looks not only at how individual household consumers and producers see following the order of a particular labelling scheme as being in line with their perceptions of societal norms and self interests, but also to what extent labelling schemes are integrated in various other activities that shape the production and consumption system. Especially coercive pressures by NGOs on major branded manufacturers and retailers who have acquired focal positions in many supply chains (Dewick and Foster 2011; Gereffi, 1994) has shown to be of great relevance at this point. Next to NGOs, other civic as well as governmental organisations for example can align their procurement and broader communication with the maxims of a product labelling scheme and in doing so provide validity cues and influence wider pragmatic and normative legitimacy evaluations.

In his seminal work on organisational legitimacy Suchman (1995) details how organisations (in this case the labelling organisation) can use various strategies to “legitimise” (Demil and Bensédrine, 2005, p. 59) their activity and the order they provide. For example labelling organisations can conform to the needs of actors and/or offer them decision making access to positively affect their pragmatic legitimacy evaluation. To focus more on normative legitimacy dimensions they can embed their structures within already existing legitimate institutions (co-optation) or symbolise the conformity with societal ideals by becoming identified with organisations that have a strong base of social legitimacy. Particularly strong strategies are the conformity with established models of appropriateness through mimetic processes, formalization through codification of informal procedures and professionalization by linking activities to external definitions of authority and competence (Suchman 1995; Dowling and Pfeffer, 1975).

Through these strategies and further legitimacy construction between various actors in the production and consumption system, following the order of a product labelling scheme can diffuse across fields and eventually reach a tipping point where a critical mass of relevant actors adopt the product labelling scheme and the scheme potentially gradually achieves taken-for-granted status.

Although the legitimacy construction process has shown to be highly dynamic and complex, it has been found to cluster around a general set of aspects:

- Tradition: are publicly trusted and taken-for-granted organisations involved?
- Regulatory: usually evolving from conformity with laws;
- Knowledge: belief in superior knowledge or skills;
- Consequences: does the scheme meet targets in relation to individual self interests as well as greater societal welfare?
- Procedures: Belief in the validity of the procedure the scheme is based on, often related to norms of inclusiveness and deliberation, prominently translated into demands for transparency, participation and inclusion of multiple actors in decision making processes, efforts to find consensus and independent assessments.

### **3 Empirical foundation**

Empirically, the study is based on four case studies of the Fair Trade, Marine Stewardship Council (MSC), EU energy- and EU ecolabel. Each of the case studies draws from an extensive documentary analysis as well as in depth interviews with advocates of different actor groups (including NGOs, governmental, civil societal and business organisations). This is combined with a review of meta labelling related documents as well as in depth interviews focussing on the notion of sustainability meta labelling.

### **4 Prospects for the institutionalisations of a sustainability meta labelling scheme**

The following sections briefly review how already existing as well as some of the suggested meta initiatives have been conceptualised around the four product labelling building blocks introduced in section 1. Findings from the four case studies are used to discuss these suggestions in the light of the theoretical framework. The last section concludes by reflecting mainly on procedural and consequential legitimacy aspects.

#### **4.1 Standard setting**

In specifying standards product labelling organisations can take foci on different contents, product groups and areas of application within the supply chain as well as implement different degrees of stringency and precision.

##### **4.1.1 Focus**

In the light of the unification aim most authors suggest for a sustainability meta standard to have wide scope spanning multiple product groups and specify criteria per product group (see e.g. Golden et al., 2010; Schlegel et al., 2008).

In order to specify standard principles most labelling organisations define either certain ideals that should be achieved to be considered sustainable (e.g. being recyclable) or aspects that are considered to be unsustainable and therefore should be avoided. To identify more operational criteria a dual approach has been suggested and partly already implemented: firstly building upon criteria that core across existing sustainability related product labelling and certification schemes (see e.g. Schlegel et al., 2008) and secondly evaluate each product group in regard to potential negative social and environmental impacts through life cycle analysis or similar instruments (see e.g. Golden et al., 2010; The Sustainability Consortium, 2010; Rewe Group).

Most suggest to then focusing the criteria on ‘key aspects’ (see e.g. House of Commons Environmental Audit Committee, 2009; Schmidt and Brunn-Poulsen, 2007; GoodGuide). What is considered key decides not only about the focus of the standard but potentially also on sustainability trade-offs, as the focus on a particular key aspect can result in negative effects on other sustainability dimensions. Accordingly these decisions can stage major disagreements as they often bring together fundamentally opposing paradigmatic views. All studied product labelling cases have faced repeated legitimacy withdrawals for focussing on issues some actors have not considered as most relevant or even wrong in regard to their consequences for consumption and production as well as the procedures by

which the decisions on them have been derived. Considering that the concept of sustainable development is highly ambiguous, as to uncertainties around the problem as well as clarifying the relative priority or weight within and between the environmental, economical and socio-cultural aspects of development (see e.g. van Zeijl-Rozema et al., 2008; Kemp and Martens, 2007; Zaccai 2012), such difficulties can be expected to increase for a unified sustainability meta labelling scheme.

#### 4.1.2 Stringency

In developing their criteria standard setters can be more or less demanding. While less stringent criteria are more likely to achieve a wide applicability in the market and, in the case of a meta scheme, wider applicability across existing product labelling schemes, they can negatively affect legitimacy evaluation by actors who associate stringent criteria with positive consequences on the production and consumption system.

In order to overcome this dilemma some existing product labelling schemes and sustainability meta labelling proposals (see e.g. Teufel et al., 2009 and Schlegel et al., 2006) suggest to gradually raise the standard or follow a conditional assessment approach (see section 4.2 for further discussion of the latter). Another hybrid solution is the introduction of a graded scheme where different classes relate to different stringency levels. Especially the last solution has found an increased advocacy base over the last years (e.g. Eberle, 2001; Bleda and Valente, 2009; Grankvist et al., 2004) not only to ease conflicts regarding the appropriate stringency of standards but also positively affect conflicts related to the communication phase (see section 4.3).

#### 4.1.3 Precision

One of the aims of many product labelling schemes, especially a unifying one, is to define standards that cross boundaries and meet increasingly globalised market demands. But because definitions of unsustainable practices and ideals can vary greatly across regions, product labelling organisations also tend to face demands to reflect geographic variability. To meet such demands both the MSC and EU energy labelling organisations have decided for more local interpretation of their standards and similar suggestions have been made for the implementation of a sustainability meta scheme.

Yet while the Fairtrade and the EU ecolabel faced criticism for insufficient adaptability to local conditions, the MSC and EU energy labelling organisations have seen their legitimacy threatened by accusations of arbitrary and inconsistent interpretation of criteria. This again shows how legitimacy evaluations can vary greatly across contexts and actors and the delicacy of managing their different demands. This task can be expected to be even more demanding with a standard that would aim to have an even wider geographical scope in order to meet unification aims.

#### 4.1.4 Revision

Most of the schemes suggested and already implemented have been proposed to have a continuous and timely revision of the defined standard

(see e.g. Eberle, 2001; Golden et al., 2010; The Sustainability Consortium, 2010). In doing so product labelling organisations can positively influence understandability and consequential legitimacy evaluation for example in regard to the facilitation of innovation. Timely revisions are not a universal interest however. The EU energy label case study for example has shown how some actors have objected revisions to avoid a downgrading of their evaluation or allow for longer adoption periods. This also relates to potential clashes with procedural legitimacy demands for participatory decision making, which can become very time consuming, especially when bringing together a variety of normative and pragmatic understandings. In the case of a meta scheme, timely revisions are likely to face an additional challenge as changes in the meta standard would need to materialise through according changes in the qualifying standards (Schlegel et al., 2008).

#### *4.1.5 Legitimisation through mimicking existing standards*

A common strategy to increase normative and potentially even cognitive legitimacy of a standard has been to mimic standards that have already acquired a high degree of institutionalisation. Several initiatives seem to be relevant here, such as the BS ISO 26000 guidelines (BS ISO 26000:2010) or the 'Guidelines for Sustainability Assessment of Food and Agriculture Systems (SAFA)' currently developed by the UN Food and Agriculture Organization (Natural Resources Management and Environment Department, 2012). But while the UN initiative has not yet been established, the ISO guidelines explicitly state that they do not aim to function as a baseline for certification use (BS ISO 26000:2010). Moreover, even if driven by organisations many actors arguably associate with traditional and knowledge legitimacy, above outlined problems especially in relation to appropriate foci, stringency and precision are likely to pose problems also for the legitimisation of these standards.

#### *4.1.6 Procedural criteria*

In addition to sustainability related meta criteria, initiatives such as the EU biofuels scheme or the GoodGuide have specified certain procedural demands for product labelling schemes to meet in order to be considered as qualifying standards. Unlike in the case of sustainability related criteria, procedural meta criteria can build upon what seems to be a rather large societal agreement on appropriate product labelling procedures. This large consensus could be seen in the interviews conducted for this study but also the fact that procedures such as multi actor decision making, public consultation, transparency or third party certification have been already formalised in several codes of conduct, some of them adopted by organisations with an arguably high degree of knowledge and traditional legitimacy such as ISO or WTO.

### **4.2 Assessment**

To be considered a qualifying standard for the EU biofuels initiative, the EU Commission assesses existing schemes against the sustainability and the procedural requirements set in the EU Directive. In case of a positive assessment the Commission initiates together with the Committee on the Sustainability of Biofuels and Bioliquids the adoption of the scheme as a qualifying standard for all or certain criteria of the meta standard (Dehue et

al., 2007; European Commission 2010; European Commission 2009; Upham et al., in review; Lin, 2010).

Focussing on the compliance with their procedural code of conduct, the GENICES framework assesses interested ecolabelling schemes through a GEN peer review panel. Based on a documentary review and site visit(s) to the applicant organisation a site audit report is prepared. The labelling organisation is then given the opportunity to implement corrective measures. After another peer review of the corrective actions, a certificate is awarded to the applicant if all criteria are considered compliant or compliant with under the condition that further corrective measures are taken (GEN).

Such a conditional assessment approach has been suggested also for the assessment process of a sustainability meta scheme not only in regard to procedural but also sustainability meta criteria (Schlegel et al., 2006). Yet while a conditional assessment approach has been supported by some because of its usefulness as a “pedagogical tool” (Ponte, 2008, p. 163) and to ensure large applicability; others have seen in it a negative influence on the actual impact of a product labelling scheme. The MSC organisation for example has faced major opposition and legitimacy withdrawals from key legitimacy actors because of their conditional certification approach. Here again the difficulties related to meeting opposing legitimacy demands becomes apparent.

Another problematic area relates to data availability, especially if the meta sustainability and procedural standards request a high degree of stringency. Multiple authors have already come to the conclusion that there are a range of sustainability issues and product groups that are so far not covered by sustainability related product labelling or certification schemes (Teufel et al., 2009; Bratt et al. 2011; Schlegel et al., 2008; 2011). It therefore seems likely, similar to what has been suggested for the EU biofuels scheme (see Dehue et al., 2007), that any sustainability meta certification or labelling scheme would need to conduct “supplementary checks” to fill “gapcriteria” between the sustainability meta standard and the qualifying standards.

Such a mixture of direct product assessment as well as assessment of existing product labelling and certification schemes is conducted already by the GoodGuide. Unlike GEN and the EU biofuels initiative, the GoodGuide thereby follows a scoring rather than basic requirement approach. At the core of a scoring approach is that criteria can be met to various degrees and often also the possibility to compensate non compliance through the compliances with other criteria (Scheer and Rubik, 2005).

The GoodGuide also follows a scoring approach to derive their overall sustainability assessment of a product. In doing so, scores for the individual criteria are weighted depending on judgments about their importance as well as the reliability of the data used to evidence the compliance (GoodGuide). Such a scored approach resembles suggestions mentioned above to implement a meta scheme in a graded rather than two dimensional fashion. Here arguments made in section 4.1.1 about potentially strong contestations related to weighting decisions have to be recalled, which could be potentially even stronger for the amalgamation into one overall assessment score.

### 4.3 Communication

Communication on or with the product can differ in terms of the degree of information aggregation, the format and design of the information provided and the medium that conveys this information.

#### 4.3.1 *Information aggregation*

Information aggregation seems crucial to ensure the understandability of a product labelling scheme, which has shown to be an important dimension when actors pragmatically evaluate how instrumental a product labelling scheme is for various communication activities. To ensure understandability some have called for a high degree of aggregation into a simple single level symbol, especially for the communication with household consumers (e.g. Truffer et al., 2001; Klemisch, 2004; Banerjee and Solomon, 2003).

Yet aggregation is also essentially related to weighting and trade off decisions, which have been already discussed to trigger major legitimacy contestations. Indeed, some have criticised highly condensed forms of information for taking away decision making from household consumers who might demand more extensive information (e.g. Teisl and Roe, 2005; Teisl and Roe, 1998).

One strategy to address this conflict is to aggregate not into one overall evaluation but to distinguish between different sub categories. The GoodGuide for example provides next to an overarching sustainability score scores for three sub-categories (environment, social and health) (GoodGuide). Some studies suggest that such more detailed information could provide for greater information satisfaction on the side of the household consumer (Teisl and Roe, 2005; Jensen et al., 2003).

Yet while such sub categories might meet the demands of some engaged household consumers, major trade off and weighting decisions would remain and are still likely to cause opposition amongst other actors. Here it has to be remembered that section 2 has established the institutionalisation of product labelling schemes as only partly driven by pragmatic choices on the side of household consumers based on the information on the product. For the wider institutionalisation of a sustainability meta labelling scheme these remaining weighting decisions could pose a much bigger challenge than finding the right amount of information to meet household consumer demands.

#### 4.3.2 *Format*

As pointed to previously, many actors have shown advocacy for the implementation of a graded product labelling scheme. Like the differentiation into sub categories this advocacy has been partly grounded in trying to influence household consumers' behaviour through the provision of more precise and partly negative information (see e.g. Bleda and Valente, 2009; Roe et al., 2001; Grankvist et al., 2004).

While many NGOs and civil societal actors have also shown in favour of a graded implementation, manufacturers and retailers seem less likely to support the establishment of a graded scheme as it essentially risks having a negative assessment attached to a product. Thus, many see a need for strong coercive pressure, potentially even regulation, to push the establishment of a graded scheme against the interests of business actors (Grankvist et al., 2004; Jensen et al., 2003). If such a push is successful however, authors such as Grankvist et al. (2004), Bleda and Valente (2009) or Allison and Carter (2000) but also findings from the EU energy labelling case suggest that the

threat of a negative rating attached to a product can be a strong incentive for business actors to change their activity in line with the maxims of a product labelling scheme and provide more sustainably produced products.

#### 4.3.3 Design

Potential options for the design of the information on the product largely depend on whether a non graded or graded approach is taken. While the former is usually communicated through a single symbol, the latter can be communicated in various forms including numerical, alphabetical and colour scales.

Despite the development of a strong advocacy for colour coding approaches over the last years (see e.g. House of Commons Environmental Audit Committee, 2009; Upham et al., 2011; Synovate UK, 2005), the case studies have shown that demands tend to divert also in relation to the design of the information on the product. While some actors for example focus on unified understandability, others aim to mobilise product labelling schemes for educational or marketing measures. Especially the latter is often related to differentiation goals, which have an inherent opposition to unification demands.

#### 4.3.4 Information medium

Next to the information with or on the product, some product labelling schemes provide additional information via leaflets or on their website. With recent technological developments an alternative at this point is the use of the barcode on products “as a gateway to further information” for example through Smartphone applications (House of Commons Environmental Audit Committee, 2009, p. 20). In light of such developments, some argue that the actual information on the product will become increasingly replaced by technologies that give much more space for detailed information.

### 4.4 Organisational structure

Traditionally organisational theory has seen formal organisations as rather clear-cut entities usually distinguishing between companies, civil society (including NGOs) and government. While some product labelling organisations are indeed purely driven by one of these actor classes, many labelling organisations have evolved as hybrid organisations that involve actors from across these spheres which often participate on behalf of other organisations. Such hybrid organisations have been positively highlighted especially for facilitating repeated communication and interaction between varieties of actor classes. The mutual reflective trust developed during such repeated interaction, it has been argued, can give rise to compromise between normally opposing parties (Boström and Klintman, 2008). If these parties include key legitimacy actors with large power to influence the wider legitimacy evaluations of a product labelling scheme, this can have a crucial impact on its institutionalisation.

Yet in the light of the previously outlined potential for large oppositions related to the implementation of a sustainability meta labelling scheme, especially a graded one, many see a need for regulatory legitimisation similar to the EU energy labelling case. But while the EU energy labelling

*Proceedings: Global Research Forum on Sustainable Consumption and Production*

*Workshop, June 13-15, 2012, Rio de Janeiro, Brazil.*

case study has shown a (limited) potential to force manufacturers and retailers to display certain information, it has also shown that the need to balance different legitimacy demands in order to ensure a wide institutionalisation does not necessarily decrease through legal enforcement. This firstly relates to limited coercive capacity in regard to the wider social activity that shapes production and consumption and the wider institutionalisation of a product labelling scheme (legal enforcement cannot ensure for example that NGOs, consumers and other actors align their social activity with the maxims of the product labelling scheme). Secondly, conflicting interests and normative interpretations are also a major barrier for legal enforcement, at least for the EU case.

## 5 Reflection on overall consequential and procedural legitimacy construction and conclusion

This paper has shown how the institutionalisation and behavioural effectiveness of product labelling schemes relates to a complex and inherently conflictual construction of legitimacy between actors from across the production and consumption system. Many of these conflicts have thereby demonstrated to be likely to increase rather than decrease with the implementation of an overarching sustainability meta label. Especially procedural and consequential legitimacy aspects and the balance between the two could pose a major challenge.

Perceptions of desired consequences differ across context and actor classes (both in regard to individual self interests and greater societal good), making strategies to demonstrate positive consequences of aligning activity with a particular labelling scheme notoriously difficult. The inherently large scope of a unifying sustainability meta labelling scheme as well as the ambiguities related to the sustainable development concept pose a particular challenge at this point. Moreover, a meta scheme would need to prove a positive consequence over and above already existing schemes to justify its existence. So far this additional positive consequence has been mainly established around a need to resolve household consumer confusion and provide them with more streamlined information to enable them to demand more sustainably produced products. This perception of production and consumption systems in general and the institutionalisation of product labelling schemes in particular being mainly shaped by rational, information based consumer choices has been not only questioned by the theoretical arguments presented in this paper but also the empirical analysis conducted for this study. In fact, interviewees from across actor classes seemed rather negative in their consequential legitimacy evaluations of a sustainability meta labelling scheme, particularly in regard to its ability to facilitate actual changes in consumer behaviour.

According to Suchman (1995), the more difficult a clear demonstration of a positive consequence is the more important becomes procedural legitimacy. To increase their procedural legitimacy many labelling organisations have (amongst others) related their procedures to internationally accepted standards and included multiple actors in their decision making processes. Despite such strategies, most studied product labelling cases have faced accusations for insufficient engagement of different actors, in particular less organised and resourceful ones.

But before presenting more participatory structures as a silver bullet to ensure the procedural legitimacy of a potential sustainability meta labelling scheme, some fundamental barriers have to be highlighted.

Firstly, more participatory processes do not automatically result in procedural legitimacy partly due to technical, financial and knowledge inequalities among participants. Such inequalities do not seem likely to decrease for the procedures associated with the implementation of a complex overarching sustainability meta labelling scheme.

Secondly, finding a consensus between participating parties is usually coupled with increased complexity and time consumption. Thus trade-offs can emerge between procedural legitimacy demands and efficiency demands that relate to a scheme's understandability and consequential legitimacy. Such trade-offs can be expected to be even greater with a meta labelling scheme that has been shown to have particularly large conflict potential due to differences in normative and pragmatic interpretations of the notion of sustainable development and the inherently wide scope of a unifying scheme.

In a sense, the very notion that has driven the establishment of a sustainability meta labelling scheme –the different interpretations of the sustainable development concepts through different product labelling schemes- might in fact pose one of the main challenge for its effective institutionalisation.

## References

- Allison, C. and Carter, A. (2000). *Study on different types of Environmental Labelling (ISO Type II and III Labels): Proposal for an Environmental Labelling Strategy*. Oxford.
- Arizona State University and University of Arkansas. (2009-2011). *The Sustainability Consortium*. Retrieved from <http://www.sustainabilityconsortium.org/>
- Baedeker, C., Liedtke, C., Welfens, J. M., Busch, T., Kristof, K., Kuhndt, M. (2005). *Analyse vorhandener Konzepte zur Messung des nachhaltigen Konsums in Deutschland einschließlich der Grundzüge eines Entwicklungskonzepts: Abschlussbericht zur gleichnamigen Vorstudie im Auftrag der Bundesanstalt für Landwirtschaft und Ernährung als Projektträger und dem Bundesministerium für Verbraucherschutz, Ernährung und Landwirtschaft*.
- Banerjee, A., and Solomon, B. D. (2003). Eco-labeling for energy efficiency and sustainability: A meta-evaluation of US programs. *Energy Policy*, (31), 109–123.
- Bleda, M., and Valente, M. (2009). Graded Eco-Labels: A demand-oriented approach to reduce pollution. *Technological Forecasting and Social Change*, 76(4), 512–524.
- Boström, M., and Klinton, M. (2008). *Eco-standards, product labelling and green consumerism* (1. publ.). Basingstoke: Palgrave Macmillan. Retrieved from <http://www.gbv.de/dms/zbw/566280760.pdf>

- Bratt, C., Hallstedt, S., Robèrt, K.-H., Broman, G., and Oldmark, J. (2011). Assessment of eco-labelling criteria development from a strategic sustainability perspective. *Journal of Cleaner Production*, 19(14), 1631–1638.
- Cassell, C., and Symon, G. (Eds.). (2006). *Essential guide to qualitative methods in organizational research* (Reprint.). London: Sage Publ.
- Dendler, L. (in progress). *Multitheoretical perspectives on the effective institutionalisation of product labelling schemes as a new mode of governance: the role of legitimacy construction*.
- Christiansen, K., Wesnæs, M., and Weidema, B. P. (2006). *Consumer demands on Type III environmental declarations: Report commissioned by ANEC*.
- Dehue, B., Meyer, S., and Hamelinck, C. (2007). *Towards a harmonised sustainable biomass certification scheme*.
- Dehue, B., Hamelinck, C., Lind, S. de, Archer, R., Garcia, E., & van den Heufel, e. (2007). *Sustainable reporting within RTF. Framework report*.
- Demil, B., and Bensédrine, J. (2005). Processes of Legitimization and Pressure Toward Regulation. *International Studies of Management and Organization*, 35(2), 56–77.
- Dewick, P., and Foster, C. Focal actors and eco-innovation in milk produciton and distribution. In Druid Society (Ed.), *Druid Society Conference*.
- DiMaggio, P. J., and Powell, W. W. (2008). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. In W. W. Powell and P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis* (pp. 63–82). Chicago, Ill.: Univ. of Chicago Press.
- Dowling, J., and Pfeffer, J. (1975). Organizational Legitimacy: Social Values and Organizational Behavior. *The Pacific Sociological Review*, 18(1), 122–136.
- Eberle, U. (2001). *Das Nachhaltigkeitszeichen. Ein Instrument zur Umsetzung einer nachhaltigen Entwicklung?* (Dissertation). Justus-Liebig-Universität Gießen, Freiburg.
- Eckert, S., Karg, G., and Zängler, T. W. (2007). Nachhaltiger Konsum aus Sicht der Verbraucher. In F.-M. Belz, G. Karg, and D. Witt (Eds.), *Wirtschaftswissenschaftliche Nachhaltigkeitsforschung: Vol. 1. Nachhaltiger Konsum und Verbraucherpolitik im 21. Jahrhundert* (pp. 53–77). Marburg: Metropolis.
- European Commission (2009). Directive 2009/28/EC of 23 April 2009 on the promotion of energy from renewable sources. Official Journal of the European Union.
- European Commission (2010). Communication from the Commission on voluntary schemes and default values in the EU biofuels and bioliquids sustainability scheme. Official Journal of the European Union.
- European Commission. (2011). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Region: *Roadmap to a Resource Efficient Europe*. Retrieved from

- [http://ec.europa.eu/environment/resource\\_efficiency/pdf/com2011\\_571.pdf](http://ec.europa.eu/environment/resource_efficiency/pdf/com2011_571.pdf)
- Finnemore, M., and Sikking, K. (1998). International Norm Dynamics and Political Change. *International Organization*, 52(4).
- Frankl, P., Pietroni, L., Scheer, D., Rubik, F., StØ, E., and Montcada, E. (2005). Recommendations. In F. Rubik and P. Frankl (Eds.), *The future of eco-labelling : making environmental product information systems effective* (pp. 291–324). Sheffield: Greenleaf Publ.
- Gallastegui, I. G., and Spain, S. 2. (2002). The use of eco-labels: A review of the literature. *European Environment*, 12(6), 316–331.
- Gereffi, G. (1994). The Organization of Buyer-Driven Global Commodity Chains. In G. Gereffi and M. Korzeniewicz (Eds.), *Commodity chains and global capitalism* (pp. 95–122). Westport, CT: Greenwood Press.
- GEN. *A members guide to the global ecolabelling network's internationally coordinated ecolabelling system - GENICES*. Retrieved from <http://www.globalecolabelling.net/docs/genices/genices.pdf>
- Golden, J. S., Dooley, K. J., Anderies, J. M., Thompson, B. H., Gereffi, G., and Pratson, L. (2010). Sustainable Product Indexing: Navigating the Challenge of Ecolabeling. *Ecology and Society*, 15(3).
- GoodGuide, I. *GoodGuide / Find safe, healthy, and green products*. Retrieved from <http://www.goodguide.com/>
- Grankvist, G., Dahlstrand, U., and Biel, A. (2004). The impact of environmental labelling on consumer preference: Negative vs. positive labels. *Journal of Consumer Policy*, (27), 213–230.
- Greenwood, R., Suddaby, R., and Hinings, C. (2002). Theorizing change: The role of professional associations in the transformation of institutionalised fields. *Academy of Management Journal*, 45(1).
- Hansen, U., and Kull, S. (1995). Öko-Label als umweltbezogenes Informationsinstrument: Begründungszusammenhänge und Interessen. In U. Hansen (Ed.), *Verbraucher- und umweltorientiertes Marketing. Spurensuche einer dialogischen Marketingethik*. Stuttgart: Schäffer-Poeschel.
- Hay, C. (2006). Constructivist institutionalism. In R. A. W. Rhodes, S. Binder, and B. Rockman (Eds.), *Political Institutions* (pp. 56–74). Oxford; New York: Oxford Univ. Press.
- House of Commons Environmental Audit Committee. (2009). *Environmental Labelling: Second Report of Session 2008–09*. London.
- ISEAL Alliance. (2011). *The ISEAL 100: A Survey of Thought Leader Views on Sustainability Standards 2010*. Retrieved from <http://www.isealalliance.org/iseal100>
- BS ISO 26000:2010 (2010, November 30).
- Jensen, M. L., Sørensen, S. Y., Schmidt, A., and Grinderslev, M. (2003). *Consumers' Opportunities of and Interest in Purchasing Green Electronic Products - an Analysis of Consumers' and Retailers' Efforts to Promote Less Polluting Electronic Products: Environmental Project No. 837*.

- Kaphengst, T., Ma, M. S., and Schlegel, S. (2009). At a tipping point? How the debate on biofuel standards sparks innovative ideas for the general future of standardisation and certification schemes: International Trade in Biofuels. *Journal of Cleaner Production*, 17(Supplement 1), S99-S101.
- Kemp, r., and Martens, P. (2007). Sustainable development: how to manage something that is subjective and never can be achieved? *Sustainability: Science, Practice, and Policy*, 3(2), 1–11.
- Klemisch, H. (2004). *Umweltmanagement und ökologische Produktpolitik: Partizipation betrieblicher und gesellschaftlicher Akteure an Ökologisierungsprozessen in Unternehmen und Branchen* (1. Aufl.). *Schriften zur nachhaltigen Unternehmensentwicklung: Vol. 4*. München: Hampp.
- Klimatcertifiering för Mat. *Status Report: Climate Certification for Food*. Retrieved from <http://www.klimatmarkningen.se/wp-content/uploads/2012/02/Status-report-climate-certification-Sweden-feb-2012.pdf>
- Kreeb, M., and Schulz, W. F. (2003). Unsichtbares sichtbar machen - die Bedeutung der Umweltzeichen in der Nachhaltigkeitsdiskussion. In G. Scherhorn and C. Weber (Eds.), *Nachhaltiger Konsum. Auf dem Weg zur gesellschaftlichen Verankerung* (2nd ed., pp. 159–170). München: ökom Verl.
- Lin, J. (2010). *The Sustainability of Biofuels: Limits of the Meta-Standard Approach*.
- Mazijn, B., Vanhoutte, G., Spillemaeckers, S., Liesbeth Taverniers, Luc Lavrysen, Van Braeckel, ... (2004). *Ecological, Social and Economic Aspects of Integrated Product Policy: Integrated Product Assessment and the Development of the Label Sustainable Development for Products*. Final report (Scientific Support Plan for a Sustainable Development Policy No. 1). Brüssel.
- Natural Resources Management and Environment Department. (2012). *Sustainability Assessment of Food and Agriculture Systems (SAFA): Guidelines*. Draft 4.0 – compact version. Retrieved from [http://www.fao.org/fileadmin/user\\_upload/sustainability/SAFA/SAFA\\_Guidelines\\_draft\\_Jan\\_2012.pdf](http://www.fao.org/fileadmin/user_upload/sustainability/SAFA/SAFA_Guidelines_draft_Jan_2012.pdf)
- Pedersen, E. R., and Neergaard, P. (2006). Caveat Emptor – Let the Buyer Beware! Environmental Labelling and the Limitations of ‘Green’ Consumerism. *Business Strategy and the Environment*, 15, 15–29.
- People4Earth.org. (2012). *Global Sustainability Framework*. Retrieved from <http://www.people4earth.org/global-sustainability-framework/>
- Pfeffer, J., and Salancik, G. R. (2003). *The external control of organizations: A resource dependence perspective*. Stanford, Calif: Stanford Business Books.
- Ponte, S. (2008). Greener than Thou: The Political Economy of Fish Ecolabeling and Its Local Manifestations in South Africa. *World Development*, 36(1), 159–175.
- Proto, M., Malandrino, O., and Supino, S. (2007). Eco-labels: a sustainability performance in benchmarking? *Management of Environmental Quality*, 18(6), 669.

- Rewe Group. *Pro Planet: The REWE Group navigation system for more sustainable products and services*. Retrieved from [http://www.proplanet-label.com/Download/1203HandbProPlanet\\_engl\\_Web\\_A4h.pdf](http://www.proplanet-label.com/Download/1203HandbProPlanet_engl_Web_A4h.pdf)
- Roe, B., Teisl, M. F., Rong, H., and Levy, A. S. (2001). Characteristics of Consumer-Preferred Labeling Policies: Experimental Evidence from Price and Environmental Disclosure for Deregulated Electricity Services. *Journal of Consumer Affairs*, 35(1), 1–26.
- Scheer, D., and Rubik, F. (2005). Environmental Product Information schemes: an overview. In F. Rubik and P. Frankl (Eds.), *The future of eco-labelling : making environmental product information systems effective* (pp. 46–88). Sheffield: Greenleaf Publ.
- Schlegel, S., Kaphengst, T., and Cavallieri, S. (2008). *Options to develop a Global Standard-Setting Scheme for products derived from Natural Resources (NRS)*. Retrieved from [http://ecologic.eu/download/projekte/200-249/201-54/201-54\\_final\\_report.PDF](http://ecologic.eu/download/projekte/200-249/201-54/201-54_final_report.PDF)
- Schmidt, A. and Brunn-Poulsen, P. (2007). *Benchmarking and additional environmental information in the context of Type III environmental declarations: commissioned by ANEC – European Association for the Co-ordination of Consumer Representation in standardisation*. Brussels.
- Suchman, M. C. (1995). Managing Legitimacy: Strategic and Institutional Approaches. *The Academy of Management Review*, 20(3), 571–610.
- Sustain. (2007). *Discussion paper from Sustain: Pictorial representations for sustainability scoring*. Retrieved from [http://www.sustainweb.org/pdf/sustainability\\_labelling\\_flowers.pdf](http://www.sustainweb.org/pdf/sustainability_labelling_flowers.pdf)
- Synovate (UK). (2005). *Quantitative Evaluation of Alternative Food Signposting Concepts: Report of Findings*. Kent. Retrieved from <http://www.food.gov.uk/multimedia/pdfs/signpostquanresearch.pdf>
- Teisl, M. F., and Roe, B. (2005). Evaluating the factors that impact the effectiveness of eco-labelling programmes. In S. Krarup and C. Russel (Eds.), *New horizons in environmental economics. Environment, information and consumer behaviour* (pp. 65–90). Cheltenham: Elgar.
- Teisl, M. F., and Roe, B. (1998). The economics of labeling: An overview of issues for health and environmental disclosure. *Agricultural and resource economics review*, 27(2), 140–150.
- Teufel, J., Rubik, F., Scholl, G., Stratmann, B., Graulich, K., and Manhart, A. (2009). *Untersuchung zur möglichen Ausgestaltung und Marktimplementierung eines Nachhaltigkeitslabels zur Verbraucherinformation: Endbericht*. Freiburg.
- The Commission of the European Communities. (2009). *Communication from the commission to the council, the European Parliament and the European Economic and Social Committee: Contributing to Sustainable Development: The role of Fair Trade and nongovernmental trade-related sustainability assurance schemes*. Retrieved from [http://trade.ec.europa.eu/doclib/docs/2009/may/tradoc\\_143089.pdf](http://trade.ec.europa.eu/doclib/docs/2009/may/tradoc_143089.pdf)
- The Sustainability Consortium (2010, April). *Sustainability Consortium: A proposed approach to sustainability measurement and reporting*,

*Proceedings: Global Research Forum on Sustainable Consumption and Production Workshop, June 13-15, 2012, Rio de Janeiro, Brazil.*

- Chicago. Retrieved from  
<http://www.sustainabilityconsortium.org/meetings>
- Tost, L. P. (2011). An integrative model of legitimacy judgments. *Academy of Management Review*, 36(4), 686–710.
- Truffer, B., Markard, J., and Wüstenhagen, R. (2001). Eco-labeling of electricity: Strategies and tradeoffs in the definition of environmental standards. *Energy Policy*, (29), 885–897.
- Underdal, A. (2002). One question, two answers. In E. L. Miles (Ed.), *Environmental regime effectiveness: confronting theory with evidence*. MIT Press.
- United States Environmental Protection Agency. (1998). *Environmental Labeling: Issues, Policies and Practices Worldwide*. Washington.
- Upaham, P., Dendler, L., and Tomei, J. (in review). Policy and regulatory controversy: the case of UK and EC biofuel policy. In T. e. a. Roberts (Ed.), *Low carbon energy controversies*.
- Upaham, P., Dendler, L., and Bleda, M. (2011). "Carbon labelling of grocery products: public perceptions and potential emissions reductions". *Journal of Cleaner Production*, 19(4), 348–355.
- van Zeijl-Rozema, A., Cörvers, R., Kemp, r., and Martens, P. (2008). Governance for sustainable development: a framework. *Sustainable Development*, 16(6), 410–421. doi:10.1002/sd.367
- Vergez, A. (2012). *Studies and documents: Display of the environmental footprint of products : French developments in the food sector*. No 64. Retrieved from <http://www.developpement-durable.gouv.fr/IMG/pdf/ED64EN.pdf>
- Wallenborn, G. (2007). How to attribute power to consumers?: When epistemology and politics converge. In E. Zaccāï (Ed.), *Routledge research in environmental politics: Vol. 13. Sustainable consumption, ecology and fair trade* (pp. 57–69). London: Routledge.
- (2010). *Walmart Announces Sustainable Product Index*. BENTONVILLE,. Retrieved from <http://walmartstores.com/pressroom/news/9277.aspx>
- Weber, M. (1922). *Wirtschaft und Gesellschaft: Grundriß der verstehenden Soziologie*.
- Young, O. R. (2008). Institutions and environmental change: the scientific legacy of a decade of IDGEC research. In O. R. Young, L. A. King, and H. Schroeder (Eds.), *Institutions and environmental change. Principal findings, applications, and research frontiers* (pp. 3–46). Cambridge, MA: MIT Press.
- Zaccai, E. (2012). Over two decades in pursuit of sustainable development: Influence, transformations, limits. *Environmental Development*, 1(1), 79–90.