Sustainability labelling and certification: an overview of multi-sector schemes

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Contents

Abstract

Since the 1970s social actors (NGOs, industry and government) have started to adopt various labelling and certification schemes for products and services that are claimed to be preferable from a sustainability point of view. Initially, these schemes focused on either environmental, social or fair trade aspects, but in a later stage, the first examples emerged of a convergence towards 'sustainability' schemes, covering a broad range of sustainability aspects. The first of these new schemes were largely in the context of sustainable agriculture, forestry and tourism, but their range has recently been expanded to other products and services. Consequently we are now witnessing a multiplicity of labelling and certification schemes that are promoted by individual social actors or by partnerships between business and environmental and social NGOs. The paper describes the state-of- the-art concerning multi-sector sustainability labelling and certification schemes. It covers items, such as public and private involvement, product and service groups covered, geographical scope, sustainability aspects included, standard setting process, and the position of Southern producers. It is based on the preliminary findings of a global inventory that was held during the first quarter of 2002.

1. Purpose and approach

1.1 Introduction

Since the 1970s social actors (NGOs, industry and government) have started to adopt various labelling and certification schemes for products and services, particularly since such schemes are compatible with a free-market approach, as opposed to a command-and-control approach. Initially, these actors adopted either social schemes, mostly focusing on labour conditions and trade relations, or more or less integrated environmental schemes. In the following phase, the first examples emerged of a convergence towards "sustainability" schemes, incorporating both environmental and social criteria. We are now witnessing a multiplicity of initiatives by NGOs, industry, governments and by partnerships between NGOs and industry.

The objective of the paper is to give an overview of the state-of-the-art concerning labelling and certification schemes promoted by government, NGOs and industry that are operational or being developed all over the world and that cover environmental issues and social issues. The overview is based on a quick scan of the total field and was executed in the context of the EU project 'Sustainability labelling and certification: towards an integrated legal, economic, ecological and social approach' (Contract EVG1-CT-2000-00031).[1]

After having listed all the schemes we found, we made concise descriptions for a selection of schemes according to a strict format. The topics covered in the questionnaire related to public and private involvement in such schemes, product and service groups covered, sustainability aspects, geographical scope, legal embedding, market access for Southern producers, initiators of schemes, standard setting bodies, certification bodies, targeted producers and buyers. At the time of writing of this paper, we had not finished the analysis of the research material. We will, therefore, present only some preliminary findings in this paper and will go into more detail during our presentation at the GIN2002 conference.

1.2 Approach

In this paper we focus on voluntary labelling and certification schemes as opposed to mandatory schemes. A further demarcation of the field of research is based on the framework of distinct types of environmental labels and declarations that the International Organisation for Standardisation (ISO) has developed. Its basic idea can be easily

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[1] This project is executed by a project group consisting of researchers from the international law departments of both the University of Barcelona (Spain) and the University of Bologna (Italy), and the Institute for Environmental Studies of the Vrije Universiteit (the Netherlands).

extended to labels and declarations that also include social considerations. ISO distinguishes:[2]

- Third-party verified product labels (type I, ISO 14024: 1999);
- Green claims and self-declarations (type II, ISO 14021: 1999), and
- Product environmental declarations (type III, ISO/TR 14025: 2000).

Type I labelling schemes are voluntary programmes, adjudicated by independent third parties, that rank products within a specific product category according to their comparative or relative impact based upon established criteria. The label is awarded to those 'market leadership' products with enhanced performance from a sustainability point of view. Type II labelling schemes involve a first-party (producer, distributor or retailer) declaration of a product's characteristics. There are also second-party Type II schemes, which involve certification by industry associations. Type III schemes cover quantified life-cycle product information, provided by a supplier, based on independent verification (e.g. third-party verification).

In this paper Type II corporate claims and self-declarations in the field of sustainability are not taken into consideration. This means that corporate brands focusing on sustainability aspects, such as the Coop Naturaplan & Co programme of the retailer Coop Switzerland or the home brand of the Body Shop, are excluded from the inventory. Type II schemes promoted and run by industry associations are seen as an in-between case. Similarly to third-party verified schemes, the setting of standards and the certification and monitoring process takes place outside the realm of a specific company. Another characteristic of these schemes is that they have in principle open access for new entrants, and therefore may have larger potential impacts on social and environmental circumstances as well as international trade.

Regarding the background of the stakeholders involved in the creation and operation of labelling and certification scheme, and consequently the type of law they are ruled by, it is obvious to distinguish between public and private bodies. Public bodies are organisations from the governmental level, either international or national. Private bodies can belong to industry, retailing, trade organisations, environmental and social NGOs.

Within the group of schemes operated by private stakeholders, it seems to be appropriate to make a further distinction between single-party schemes and coalition schemes of different private partners working together. A well-known example of a private coalition scheme is that of the Forestry Stewardship Council (FSC) where NGOs and corporate stakeholders have joined each other.

1.3 Methodology

The information presented in this paper has been collected by the three partners in the project and is primarily based on literature review and internet searches. In addition, one of the researchers visited Biofach 2002, the World Organic Trade Fair, and participated

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[2]   Http: www.iso.ch, 7/8/01.

in the IFOAM Standards Day and the IFOAM Conference on Organic Guarantee Systems.

1.4 Outline

The outline of the paper is as following. Chapter 2 describes institutional and operational features of sustainability labelling and certification schemes, including the concept of sustainability concept, the process of standard setting, certification and accreditation, and the requirements of good governance.

2. Institutional and operational features

2.1 Introduction

Labelling and certification of products and services that meet certain standards can be used as a tool to achieve sustainable development. The general objectives of such schemes are to promote the design, production and use of specific products or services with specific characteristics in relation to quality. More specifically, products and services that are labelled or certified offer specific extra information about quality aspects in a condensed way, usually through a symbol or logo. The application of this tool makes the products produced under certain protocols more easily identifiable for other stakeholders in the supply chain, including other producers and consumers.

In this chapter we will discuss some operational and procedural aspects of sustainability labelling and certification schemes. Section 2.2 identifies the sustainability issues that we think are critical in relation to such schemes. Section 2.3 gives an outline of the process of standard setting, certification and accreditation. Section 2.4 introduces the principles of good governance and their relevance for labelling and certification schemes.

2.2 The concept of sustainable development

The concept of sustainable development has been introduced by the Brundtland Commission in 1987, and has since then been adopted by many national and international, governmental and non-governmental, organisations. It encompasses economic, environmental and social objectives, and also includes intergenerational aspects. The definition according to the Brundtland Commission is as following: "development that meets the needs of the present generation without compromising the ability of future generations to meet their needs".

For the purpose of our inventory we have decided to define the content of the sustainability concept at a practical level. Table 2.1 gives an overview of the sustainability issues that we identified as a starting point. We do not mean to be exhaustive with this overview. The concept of sustainability is still under debate, and consensus about its content seems to be far away. The list is only used as a tool during our research to be able to do a more in-depth analysis of the concept in relation to labelling and certification schemes.

Table 2.1 Sustainability issues relevant in the context of labelling and certification schemes

Sustainability aspects	Further elaboration
Environmental impacts	Life cycle stages:
	· Primary production
	· Processing
	· Distribution
	· Use
	· Disposal
Biodiversity	Biodiversity in general
	One or more specific ecosystems
	Specific species
Animal welfare	
Human rights	Forced labour
	Non-discrimination
	Rights of indigenous people
Labour conditions	Child labour
	Local employment policies and training
	Health and safety standards
	Working hours
	Freedom of association
	Right of collective bargaining
Trade relations	Guaranteed price
	Long-term contracts
	Advanced payments and credit facilities
	Technical assistance
	Community support

2.3 Process of standard setting, certification and accreditation

The process of actually designing a labelling and certification scheme usually starts with the designation or the establishment of a body that will carry responsibility for the development of that specific scheme. Key points in the process may include:

· Selection of products or services that will be covered by the scheme;
· Decision which stakeholders to include in the process and which to exclude;
· Designation or establishment of a standard setting body;

·   Design of a procedure for the setting (and revision) of standards;
·   Actual setting of standards;
·   Choice of a system for assessment;
·   Design of a procedure for application, inspection and certification;
·   Designation or establishment of a certification body;
·   Choice to use a logo or not;
·   Decision about the need for accreditation of certification bodies.

The object of a labelling and certification scheme may include one or more products (or product groups), or a services. The targeted producers of labelling and certification schemes can be primary and secondary producers, traders, importers and exporters, and retailers. The targeted buyers may include consumers, but also corporate and public buyers.

During the standard setting process the definition takes place of the general principles underlying the scheme and the specific standards or criteria that have to be complied to by applicants[3] and licensees.[4] These standards are in fact a set of qualitative and/or quantitative technical requirements, and usually refer to a product or service as well as its production process.

The present systems for the total assessment of the standards or criteria in a specific case can be roughly divided in "pass/fail" systems and "scoring" systems. The first type of system uses criteria in the form of bottom line values that all have to be met. The second type of system makes the award of the label dependent on a minimum total score that is based on the sum of individual scores for each criterion. A subtype of the scoring systems is the 'graded' system that allows for a more fine-tuned assessment. Mixed systems are also possible.

Once the standards for a specific scheme have been set, the scheme will be opened for applications. Suppliers of goods and services have then the choice to apply for participation in the scheme or not. In some cases however it may be doubted if participation is really on a voluntary basis. In the UK, for example, participation of growers in the Assured Produce scheme gives in fact the "licence to supply" to the leading supermarket chains that have an enormous market power (van der Grijp, forthcoming).

The next step will be an assessment whether an application is in conformity with the general principles and criteria of the scheme, usually in combination with an on-site inspection of the production operation. If all principles and criteria are met, the label or certificate that symbolises the scheme will be awarded to the applicant.

Most labelling and certification schemes provide for procedures to revise the standards and criteria in place. This is usually combined with the right to use the label or certificate for only a limited period of time. Once the validity date is exceeded, the licensee or holder of the certificate or label is no longer allowed to use the label and has to renew

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[3]   Legal entity applying for a label or certificate for a product or range of products (adapted from: OECD (1997)) .

[4]   Applicant to which a label or certificate has been awarded (adapted from: OECD (1997)).

the application. Revision procedures make it possible to adapt standards and criteria to new insights and new developments, thus enabling the specific system to evolve over time.

In case of independent certification bodies, these may be subject to an accreditation procedure by which an authoritative body verifies that the certification body is operating at a uniform level of quality and competence by assessing the organisation against certain standards. National accreditation bodies have been established in both the private and public sector in countries world-wide (Mallett, 2000). In many countries, there is one nationally recognised institution that serves as the government-sanctioned accreditation body. These bodies accredit the competence of certification organisations to issue certificates for a broad range of products and services, including certificates that relate to the environmental and social qualities of the product. In contrast to national accreditation bodies, several international accreditation systems have emerged in recent years that verify the competence of certification bodies to operate in specific sectors. They have their private origin in common and their concern for sustainability issues. Among the international accreditation systems that have been developed are (Mallett, 2002):

- International Organic Accreditation Service (IOAS), which accredits certifiers to the IFOAM basic standards on organic production and processing;
- Social Accountability International (SAI), which accredits certifiers to SA8000, a standard focusing on social practices in the workplace;
- Forest Stewardship Council (FSC), which accredits certifiers to the FSC principles and criteria for well-managed forests, and
- Marine Stewardship Council (MSC), which accredits certifiers to standards for well-managed fisheries.

As a consequence of the multitude of accreditation systems, a certain certification body may have different accreditations based on general national accreditation systems as well as sector-specific ones.

2.4 Requirements of good governance

The paper considers sustainability certification and labelling schemes as forms of governance. Our definition of governance in this respect follows that of the European Commission in its White paper on European governance[5], i.e. as 'the rules, processes and practices that affect how powers are exercised'. The idea of governance highlights the involvement of governmental as well as non-governmental actors in policy-making, as it is grounded in ideas of interdependence and interaction between various powers at several levels. Multi-level governance in this respect relates to the action of independent public and private actors at different geographic levels and locations towards shared objectives.

Linked to the concept of governance are the requirements of its well-functioning, or the principles of good governance, including legitimacy, transparency, participation, ac-

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[5]   COM(2001) 428 final, 25.7.2001.

countability, effectiveness and coherence. These aspects are certainly relevant in relation to sustainability labelling and certification schemes as many of these schemes imply the institutionalisation of supply chain arrangements through the development of regulatory or regulatory-like systems though lack the democratic control that is characteristic for public regulation. For a better understanding of the principles of good governance, it is necessary to elaborate their meaning in relation to sustainability labelling and certification schemes. To stimulate participation of producers and to strengthen buyer confidence, it is of the utmost importance to come up with transparent systems of standard setting and certification against reasonable costs. Among the first requirements to enhance transparency are a clear definition of the alternative product or production method, operationalisation in unambiguous guidelines and efficient procedures in principle open to all interested parties. Transparency more specifically refers to rules on notification of proposed new standards, revisions and work programmes. Openness includes the participation of all the interested parties at all stages of standards development, including acceptance of new work items, technical discussions, review and decision making. Developing countries may not de facto be excluded from the process of standards setting due to limited resources. Tangible ways of securing support for developing countries' participation should be sought. Impartiality is largely safeguarded by the measures for transparency and openness and also includes an effort to reach consensus. Effectiveness and relevance include that standards should respond to market and/or regulatory needs and should not distort global trade and fair competition. Duplication of standards should also be avoided.

3. Overview of multi-sector schemes

3.1 Introduction

This chapter deals with multi-sector sustainability labelling and certification schemes as opposed to one-sector schemes. Multi-sector schemes potentially cover a range of different products and/or services, while one-sector schemes are specifically targeted at only one product or service group. The latter are certainly relevant with respect to sustainability labelling and certification, but due to time constraints we have not finished their analysis as yet. One-sector sustainability schemes are most commonly found in the sectors of: clothing, textiles, and footwear; fisheries and marine life; food and beverages; forest management and wood products, and tourism.

For the purpose of this paper we distinguish the following categories of multi-sector schemes:

- Environmental schemes;
- Fair trade schemes;
- Organic schemes;
- Schemes for integrated production.

3.2 Environmental schemes

Environmental labelling makes a positive statement that identifies products and services as less harmful to the environment than similar products or services used for a specific function. The criteria that products are required to meet in order to be awarded a label are primarily environment related, although other factors such as quality and safety usually have to be complied with as well. Environmental criteria may take into account the entire life-cycle of a product but generally criteria focus on the use and waste stages of a product. Recently there have been attempts to incorporate sustainability criteria into a number of schemes. Germany's Blue Angel programme has added social criteria and the EU Ecolabel award scheme has also experimented with such criteria (cp. IEEP London, 2001).

Environmental labelling schemes have generally been initiated by government institutions but involve the participation of a wide range of actors in selecting product groups, defining criteria, and monitoring and certifying compliance. Actors commonly involved in this process include consumers, producers, traders, industrial organisations and environmental NGOs as well as public bodies.

The first national environmental labelling scheme was Germany's Blue Angel programme established in 1977. Since then many other countries have set up national environmental labelling schemes, and in addition a number of international schemes have been established. Our current inventory of environmental labelling schemes covers 27 schemes, 24 national and 3 international. A list of these schemes is given in Table 1 of Appendix 1.

Environmental labelling schemes cover a large range of product types and most schemes are in a process of constant expansion of the number of products labelled and the number of product categories covered. There is a large degree of variation between schemes in terms of the number and type of product categories covered. Some are very broad, covering many types of products (e.g. Japanese Ecomark and Nordic Swan cover 30 and 31 product categories[6] respectively) whereas others are limited to only a few product types (e.g. the Malaysian Product Certification Scheme covers four product categories).

It is, however, possible to identify some product categories that are covered by a large number of schemes. Table 3.1 presents the most common product categories covered by environmental labelling schemes. See Table 2 in Appendix I for a complete list of product categories and number of schemes covering each.

Table3.1 Common product categories in environmental labelling schemes

Product category	Number of labelling schemes covering this product category (n = 27)
Batteries	12
Detergents	12
Clothing/Textiles	12
Refrigerators/Freezers	14
Paints	16
Lights	12
Package/Container (not paper specific)	11
Fine/Copying/Printing Paper	13
Sanitary Paper	16
Other Paper Products	14

Paper products of various kinds clearly constitute a product type that is widely covered by environmental labelling schemes. Paints are also covered by a majority of environmental labelling schemes. The core type of product categories included in environmental labelling schemes are final products, in particular relatively small consumer products. As mentioned above, most environmental labelling schemes are expanding the range of product categories that they cover. Trends in the type of products being included are not apparent.

Environmental labelling schemes are not yet established in all countries and regions. A first general observation is that environmental labelling schemes have been established in most developed countries and only in a few developing countries (Brazil, India, China, Thailand and Malaysia). There are currently no schemes established in Africa and only one in South America. There are also relatively few schemes in Europe outside the EU. Only the Czech Republic, Croatia and Hungary have established schemes. It is worth noting that the approach to environmental labelling schemes in Europe has been

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[6]   We have used the Global Ecolabelling Network (GEN) product categories.

international in nature. Two of the three international environmental labelling schemes are in Europe (the EU Ecolabel Award Scheme and the Nordic Swan).

Although environmental labelling schemes have not been established in all countries and regions it is interesting to see if there are differences between the existing schemes set up in different regions in terms of product groups adopted. Only a few product categories stand out as being of regional interest for environmental labelling. In Asia, five schemes cover air conditioners whereas in Europe they are not covered by any. Similarly, products related to lighting are covered by almost every environmental labelling scheme in Asia and by only two in Europe. Composters and compost, on the other hand, are better covered in Europe than they are in Asia. It should be noted that the lack of coverage of a product category by a voluntary environmental labelling scheme might be due to the environmental attributes and labelling of that product already being controlled through direct regulation. This may explain the absence of any European environmental label for engine oil or fuels, whereas such product categories exist in some Asian and North American environmental labelling schemes.

A recent development in environmental labelling has been an effort by the International Organisation for Standardisation (ISO) to standardise the criteria used in labelling schemes. Because each environmental labelling scheme has different product categories, criteria and environmental preferences, labels are generally not transferable across countries. Producers of products that are sold in many different countries are therefore required to apply for each environmental label separately. To avoid this problem, labelling schemes have begun to standardise around ISO principles in an attempt to harmonise their programmes.

3.3 Fair trade schemes

The fair trade concept has been developed by NGOS in Northern countries in the past 40 years, in response to the growing recognition that benefits accruing from trading and trade growth are not necessarily shared by people in all countries (CEC, 1999). It applies especially to trade between Southern and Northern countries. The objective of fair trade is to ensure that producers receive a price that reflects an adequate return on their input of skill, labour and resources, and a share of the total profit commensurate with their input, and to be helpful with the exploration of new markets.

The first fair trade initiatives involved the creation of alternative trading organisations that supplied fair trade products to specialised 'world shops'. In a later stage it was decided to try to enter the mainstream market, and create labelling and certification schemes to enhance consumer confidence. The first of such schemes was the Dutch 'Max Havelaar'. Its development was started in 1989.

During the many years of its existence, the fair trade movement has grown and professionalised. Presently, the following organisations can be mentioned as main actors in the international fair trade sector (Cierpka, 2000):

- The Fair Trade Labelling Organisation International (FLO) is the worldwide umbrella organisation for standard setting and certification with regard to fair trade.
- The International Federation for Alternative Trade (IFAT) started as an association of handicraft producers and traders and is nowadays also networking with food producers, wholesalers and traders.
- The Network of European World Shops (NEWS) is an umbrella of the fair trade shops in Europe.
- The European Federation of Alternative Trade Organisations (EFTA) is the eldest network of fair traders in Europe and engaged in lobby work at the European Union as well as in information exchange and cooperation among its members.

FLO is the most relevant organisation in relation to sustainability labelling and certification. It was founded in 1997, as a service organisation for the various national fair trade organisations that were operating a labelling scheme. Currently, there are seventeen such organizations, in North America, Europe and Japan. More are in the process of being established in Mexico, Spain and Australia. The national initiatives carry names such as Max Havelaar, Fairtrade and Transfair, and Rättvisemärkt. In order to strengthen the market position of fair trade product FLO has recently announced to prepare the introduction of a common logo.

FLO is responsible for developing standards for fair trade and fair production conditions on a crop-by-crop basis. So far the international standards apply for coffee, bananas, tea, honey, cocoa, sugar and orange juice. Up to now the fair trade standards have been agreed upon unilaterally by the Northern-based member organisations. FLO is presently re-structuring its operations and has planned to increase the participation of stakeholders in the South.

The current fair trade standards cover trade relations, social conditions as well as minimum environmental requirements (Rundgren, 2001). These criteria are harmonised at international level, and are based on international instruments, such as ILO conventions and UN Agenda 21 recommendations. Producers and importers who have been assessed by certification bodies as complying with fair trade criteria are included in international fair trade registers. The minimum environmental requirements are usually related to the use of pesticides in agricultural production and post-harvest treatments. The standards on fair trade relations include:

- A price that covers the cost of production;
- Social premium for development purposes;
- Partial payment in advance to avoid small producers falling into debt;
- Contracts that allow long term production planning;
- Long term trade relations that allow proper planning and sustainable production practices.

Social production standards cover:

- Decent wages;
- Good housing, where appropriate;
- Minimum health and safety standards;

- The right to join trade unions;
- No child or forced labour;
- In case of cooperatives, a democratic participative structure.

In 1998, the fair trade organisations FLO, IFAT, NEWS!, and EFTA joined together to form FINE, which is an informal structure with the objective of information sharing, co-ordination of activities, and the development of common criteria (CEC, 1999).

3.4 Organic schemes

The International Federation of Organic Agricultural Movements (IFOAM) is the international umbrella organisation for organic agriculture that was founded in 1972 by five national organic farmers' organisations. It has been one of the pioneers in standard setting for organic agriculture. IFOAM has an open membership that presently consists of 750 member organisations in more than 100 countries. According to IFOAM, organic agriculture includes all agricultural systems that promote the environmentally, socially and economically sound production of food and fibres. These systems take local soil fertility as a key to successful production. By respecting the natural capacity of plants, animals and the landscape, it aims to optimise quality in all aspects of agriculture and the environment. Organic agriculture reduces external inputs by refraining from the use of chemical-synthetic fertilisers, pesticides and pharmaceuticals. The use of genetically modified organisms is excluded.[7]

The first inspection and certification schemes for organic agriculture were developed by farmers' and consumers' associations in the 1970s. As the number of these private schemes increased, the IFOAM membership saw the need for international harmonisation and consequently published the IFOAM basic standards in 1980 (Crucefix, 2001). In the mid to late 1980s, some organic farmers' organisations sought help from state and national governments for enforcement of organic standards. The result was the beginning of public regulations to govern organic agriculture.

Presently, the international framework for organic labelling and certification schemes consists of the IFOAM basic standards for organic production and the Codex Alimentarius Commission Guidelines for the Production, Processing, Labeling and Marketing of Organically Produced Food. Codex is a public body that was established by the Food and Agricultural Organization (FAO) and the World Health Organization (WHO). The present version of the IFOAM basic standards includes chapters on the principle aims of organic production and processing; genetic engineering; crop production and animal husbandry in general; crop production; animal husbandry; aquaculture production; food processing and handling; processing of textiles; forest management; labelling, and social justice (IFOAM, 2000). Each of the chapters contains general principles, recommendations, and minimum requirements

The Codex guidelines and IFOAM standards for organic production cannot be used for certification on their own but may serve as a basis for individual countries to develop or-

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[7]   Http://www.ifoam.org, 1/9/2000.

ganic labelling and certification schemes that are tailor-made to the region's or country's circumstances. At the EU level, Regulation 2092/91 forms the basis for the regulation of organic agriculture in the EU member states. The EU legislation applies to unprocessed agricultural products from vegetable and animal origin, as well as processed food products composed of one or several ingredients. Key considerations of the EU to come up with regulation were to ensure fair competition between organic producers, to enhance transparency at all stages of production and processing, and to improve credibility in the eyes of consumers.

At a global scale, there are currently approximately 120 private and 50 public national and regional schemes for organic production of food and beverages in operation. In some countries, public and private organic standards co-exist in parallel. The member states of the EU have by far the most organic schemes in operation. Africa and South-America are the least covered, whereas Asia is an in-between case with several fully implemented national regulations and a number of private schemes in operation in countries, such as China and Japan. The standards in these national and regional schemes can be very varied, due to socio-cultural, economic and geo-climatic conditions. All of them cover the production of fresh produce, while most of them include standards for processed foods and livestock. Some of them also cover aquaculture (e.g. salmon and shrimps) and the processing of textiles. Table 3.2 summarises the regulatory framework for organic agriculture.

Table 3.2 Regulatory framework for organic agriculture

	Public	Private
Global level	Codex	IFOAM basic standards
Regional level	EU Council Regulation 2092/91	--
National level	50 schemes	120 schemes

The IFOAM Basic Standards are revised according to a timetable. Within two years after a revision, all national and regional certification programmes must have incorporated the changes in their own standards. The IFOAM basic standards are the only international organic scheme including social standards; the EU Regulation 2092/91 and the Codex guidelines do not have a similar paragraph (Schmid, 2002). With regard to social justice, it is stated as a general principle that 'social justice and social rights are an integral part of organic agriculture and processing.' In the recommendations, issues are covered such as access to basic needs, social security, adequate wages, health and safety of workers, and rights of indigenous peoples. It is referred to the UN Charter of Rights for Children and all ILO conventions relating to labour welfare. There are two minimum requirements included in the social justice chapter:

· Article 11.1 The certification body /standardising organisation shall ensure that operators have a policy on social justice.

- Article 11.2 The certification body /standardising organisation shall not certify production that is based on violation of basic human rights (in cases of clear social justice).

IFOAM is presently in the last stage of its revision process of the basic standards that takes place every two to three years. For this round, it was decided to elaborate the paragraph on social justice. In a discussion about this paragraph during the IFOAM standards day in February 2002, there was strong support for elaborated social justice principles in the basic standards. Equitable trading relationships, fair prices based on production costs and the development of local markets in Southern countries were considered important issues. In the next revision period that will start in August 2002, social justice will be again high on the agenda, in common with biodiversity and aquaculture.

In the second draft of the revised standards, the minimum requirements for social justice have been extended and include the following:

- 11.1 Production that is based on violations of basic human rights and clear cases of social injustice is prohibited.
- 11.2 Operators shall not use forced or involuntary labour.
- 11.3 Employees and contractors of organic operations have the freedom to associate, the right to organise and the right to bargain collectively.
- 11.4 Operators shall provide their employees and contractors equal opportunity and treatment, and shall not act in a discriminatory way.
- 11.5 Children employed by organic operators shall be provided educational opportunities.

Some of the private organic certification bodies are now experimenting with the development of social standards for organic production. The Dutch certification body SKAL, for example, expects from its contracting partners to make a social statement that is tuned to local conditions, and the British certifier Soil Association will launch a separate label based on social standards in the course of 2002.[8]

In 1992, IFOAM started with an accreditation programme to ensure equivalency of certification programmes world-wide. Five years later, IFOAM established a separate entity to deal with accreditation services, the International Organic Accreditation Service (IOAS). The accreditation programme is accompanied by a consumer logo, that should provide visible reassurance to consumers in countries other than those where the product originated. Thus far, 29 certification bodies, operating in all five continents, have acquired IFOAM accreditation, and several others have applied for it. One of the consequences of IFOAM accreditation is that the certification bodies involved are obliged to incorporate all IFOAM basic standards, including the social ones, in their own schemes.

Recently, IFOAM accreditation has started to be an extra requirement in the international market. Retailers from the UK and Sweden have announced that in a few years they will only buy produce for their own label lines that is certified by IFOAM accredited certifi-

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[8]   Statement of Francis Blake, Soil Association, at IFOAM standards day, 17/2/2002.

ers. A consequence of this new trend is that some large certification bodies, such as Demeter International, the certifier of biodynamic agriculture, have become interested in IFOAM accreditation.[9]

By serving as a model for many private certification standards, the IFOAM basic standards have had a harmonising effect (Vaupel, 2001). Further harmonisation for private schemes is being achieved through mutual recognition agreements adopted by the IFOAM accredited certifiers. Equivalence agreements are the mechanism for harmonising governmental systems on a bilateral basis. For organic standards there do not exist any equivalency agreements yet, but this may change as the US, EU and Japan are presently involved in bilateral talks (Vaupel, 2001). There is also a chance that Codex Alimentarius will provide a basis for mutual recognition of equivalence, but that requires a clarification of its role in the international system.

With regard to the position of producers in Southern countries, it is now a common belief that organic agriculture has potential for Southern countries in various ways (cp. Liu et al., 2001, and Parrott & Marsden, 2002). However, there are several bottlenecks that hinder the realisation of the full potential. Some of these are related to organic certification schemes, such as the lack of local certification bodies, the fact that most standards are imposed on Southern countries by Northern countries, the lack of recognition between different schemes which can lead to the necessity of multiple inspections and certifications, and the costs of certification which is especially a heavy burden for small holders.[10]

Market access to the EU can be extra cumbersome. The EU legislation opens in principle the EU organic market for products from non-EU-countries. Their access is based on the concept of equivalence, i.e. production, processing, documentation, and inspection must be all equivalent in the exporting country. Imports are allowed from countries explicitly registered (Argentina, Australia, Israel, Switzerland and Hungary), or on a case-to-case basis that involves an import authorisation procedure. In the years 2000-2001, the EU permitted 2142 authorizations, with most of them concerning products from Turkey and the US.

3.5 Integrated production schemes

Integrated production or Integrated Crop Management (ICM) can be considered as a step-wise implementation of a range of agricultural practices that more or less radically diverge from conventional agriculture. ICM aims at minimising the use of fertilisers and pesticide products by favouring other measures, such as natural predators, crop rotation and mechanical weeding. Pests need not be eliminated, but rather kept under control, at levels below which they cause economic damage. Supporters of ICM see it as a 'quiet

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[9]   The Organic Standard, November 2001, p. 17.
[10] Roundtable discussion on the position of organic producers in Southern countries, IFOAM conference 'International harmonisation and equivalence in organic agriculture', Nuremberg, 18-19 February 2002.

revolution', winning the best of both worlds by marrying organic techniques with the option of chemicals if things go wrong, others consider it a half-way house, and sceptics argue that without (legally) binding rules, ICM can mean more or less anything (cp. Browne et al., 1999, and Morris & Winter, 1999).

Switzerland is the country of origin of ICM, with the development of standards for integrated production of fruit taking place as early as 1978 (EUREP, 1998). Several countries followed the Swiss example, but it was only in the late 1980s that production under ICM became a serious undertaking. In that period several ambitious programmes were set up and accompanying certification schemes were developed. Most of them were private single-party schemes, based on initiatives of retailers or producer cooperatives, but there are also examples of third-party verified schemes in the Netherlands (*AgroMilieu-keur*) and the UK (*Assured Produce*).

In 1997, a group of 13 large European retailers founded the Euro-Retailer Produce Working Group (EUREP), with the aim of making a first step towards European-wide harmonisation of minimum standards for integrated production (EUREP, 1998). It has introduced the EUREPGAP protocol in 1999, which contains the basic requirements for Good Agricultural Practice (GAP) for fruits and vegetables. The protocol has been revised in September 2001. EUREP foresees to develop additional protocols for livestock, flowers and ornamentals, combinable crops and feed.

EUREP calls itself the Global Partnership for Safe and Sustainable Agriculture. Its membership consists of three groups, including retail members, supplier members and associate members. Among the supplier members are growers and growers organisations from all continents. The group of associate members is of a varied composition, including certification bodies, consulting firms and the crop protection industry. The retail membership of EUREP is in constant movement, with members entering and leaving, but has overall quickly expanded. The UK is especially strongly represented. Some countries, however, are not involved at all, for example Denmark, France, and Germany. The membership presently consists of 22 retailers from 9 European countries.[11] In March 2002, EUREPGAP founded its first regional Secretariat in Cape Town that will be responsible for the African continent.

Table 3.3 Membership of EUREP (March 2002)[12]

1. Ahold (NL)	12. Migros (Sw)
2. Albert Heijn (NL)	13. Safeway(UK)
3. Asda (UK)	14. Sainsbury's (UK)
4. Coop Sweden (Se)	15. Somerfield (UK)
5. Coop Italia (It)	16. Spar Österreich (Au)
6. Delhaize "Le Lion" (Be)	17. Superquinn (Ire)
7. DRC / Belgium Auction Market (Be)	18. Superunie (NL)
8. Eroski (Sp)	19. Tesco (UK)
9. ICA (Se)	20. Trade Service Netherlands BV (NL)

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[11] Http://www.eurep.org, 25/3/2002.
[12] Http://www.eurep.org, 25/3/2002.

10. Laurus (NL) 11. Marks & Spencer (UK)	21. Waitrose (UK)

The basic idea of establishing EUREP has come from the UK. British retailers participating in the Assured Produce Scheme in the UK have taken the lead in the EUREP initiative because they aimed to impose similar standards on overseas suppliers as they already did on national suppliers (EUREP, 1998). Their interest in doing so is strongly linked to the entry into force of the Food Standards Act of 1990 that placed an increased liability on British retailers and food producers for the activities of other participants in food supply chains.

As it was already mentioned, the key of the EUREP activities is the EUREPGAP protocol for fresh fruits and vegetables. The protocol should be regarded as a basic standard. Each participating retailer can additionally use individual standards, which might be more stringent (EUREP, 1998). The protocol is meant as a benchmark to assess current practice, and provide guidance for further development. It will be subject to future amendments. The scheme is divided into major musts, minor musts and recommendations. The main objectives of the scheme are focused on:

- Maintaining consumer confidence in food quality and safety;
- Minimising detrimental impact on the environment, whilst conserving nature and wildlife:
- Reducing the use of agrochemicals;
- Improving the efficiency of natural resource use, and
- Ensuring a responsible attitude towards worker health and safety.

Growers and growers organisations need to get EUREPGAP approval. This approval can only be achieved through an independent verification by a national inspection or certification body that needs to be accredited (http://www.eurep.org, 6/9/2000). The 100% compliance of all "musts" is necessary for the approval. All approved growers and grower organisations will have the right to use the EUREPGAP logo, that is a means of communication in the business-to- business area and not (yet) designed to be used in the communication with the final consumer. The first approvals have been granted in 2001.

EUREP's ambitions as theglobal leading standard setting entity for integrated production, however, may be mitigated as a result of new initiatives taken by other market parties. In late 2001, for example, Germany producers and retailers have launched an alternative for EUREPGAP that is called Qualität und Sicherheit (QS). The Germans have critized that EUREPGAP makes the farmers responsible for the costs of the scheme and that it does not take national differences in pesticides legislation into account. The QS standards have not been published yet.

4. Highlights and trends

This chapter contains conclusions based on the research findings about multi-sector labelling and certification schemes that incorporate social and/or environmental standards. Similarly as in the previous chapters, we distinguish environmental schemes, fair trade schemes, organic schemes and schemes for integrated production. The conclusions highlight the following issues:

·   Public and private involvement;
·   Products and services covered;
·   Geographical scope;
·   Sustainability aspects included;
·   North-South relations.

Table 4.1 shows public and private involvement in multi-sector schemes. At the moment of writing we did not have the disposal of the exact figures for environmental schemes, but it is clear that most of them are public or semi-public. Fair trade schemes have been up to now a fully private affair. In the organic sector, most schemes have a private origin, but the number of public schemes is increasing. With regard to schemes for integrated production, the picture is not complete but our assumption is that this sector is primarily ruled by private initiatives.

Table 4.1Public and private involvement in multi-sector schemes

	Number of public schemes	Number of private schemes
Environmental schemes	??	??
Fair trade schemes	0	17
Organic schemes	50	120
Schemes for integrated production	0	4 (but could be more)

Fair trade schemes, organic schemes and schemes for integrated production all cover agricultural products and some of them also apply to processed agricultural products, such as food products and textiles. Fair trade schemes, however, do only apply to a very small selection of agricultural products as opposed to organic and integration production schemes, that cover almost all crops. Environmental schemes usually include a wide variety of products, with paper products and paints as the most common ones. In some cases, these schemes also cover services, such as tourism and catering.

Sustainability labelling and certification schemes are not yet established in all countries and regions. It seems that the member states of the EU and North America have by far

the most of such schemes in operation and that Africa and South-America are the least involved. Asia and Australia are both an in-between case.

Table 4.2 gives an indication of the sustainability aspects that are covered by the different multi-sector schemes. It can be concluded that fair trade schemes and organic schemes have the most in common. It is therefore not surprising that consumers have quite often associated fair trade and organic products with each other, although in reality not all organic products fulfil fair trade criteria and less than half of the fair trade food products are certified organic (Cierpka, 2000). In the context, it should be noted that the crucial criterion for the fair trade organisations is to pay a fair price based on production costs. This requirement is not included in the IFOAM social justice chapter and it is still the subject of much debate in the organic sector.

Table 4.2 Inclusion of social and environmental standards in multi-sector schemes

	Environmental schemes	Fair trade schemes	Organic schemes	Schemes for integrated production
Environmental impacts	Certainly included	Sometimes included	Certainly included	Certainly included
Biodiversity	Not included	Sometimes included	Certainly included	Certainly included
Animal welfare	Not included	Not relevant	Certainly included	Not relevant
Human rights	Not included	Sometimes included	Sometimes included	Not included
Labour conditions	Included to a limited extent	Certainly included	Sometimes included	Included to a limited extent
Trade relations	Not included	Certainly included	Not included	Not included

Fair trade schemes have as a primary objective the improvement of North-South trade relations by creating more equitable supply chain arrangements. This makes these schemes radically different from the other ones. Although organic and environmental schemes may provide opportunities to some Southern producers, they are also considered to be hindering market access for other Southern producers. The most common complaints relate to the multitude of different schemes based on different criteria, the costs of inspection and certification, and the fact that most standards are imposed by Northern countries.

We will finish this paper by making a few remarks about the current trends of co-operation and internationalisation in the world of sustainability labelling and certifica-

tion. In recent years there have been several initiatives of especially environmental and social NGOs to join forces with the aim of strengthening their own labelling and certification schemes and to stimulate harmonisation and mutual recognition. The first examples included the creation of respectively the Fairtrade Labelling Organization (FLO), the Global Ecolabelling Network and FINE (FLO-IFAT-NEWS!-EFTA). A more recent one is the foundation of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL ALLIANCE) (Mallett, 2002). The Alliance has been created to safeguard and promote environmental and labour concerns within international trade.[13] ISEAL members further wish to gain international recognition and legitimacy for their programs; to improve the quality and professionalism of their respective organisations; and to defend the common interests of international accreditation organisations. ISEAL Alliance's present membership includes:

· Conservation Agriculture Network (CAN);
· Fairtrade Labelling Organisations (FLO);
· Forest Stewardship Council (FSC);
· International Federation of Organic Agricultural Movements (IFOAM);
· International Organic Accreditation Service (IOAS);
· Marine Aquarium Council (MAC);
· Marine Stewardship Council (MSC), and
· Social Accountability International (SAI).

Another joint initiative is aimed to stimulate broad-based social accountability in agriculture. The Fairtrade Labelling Organization (FLO), the International Federation of Organic Agriculture Movements (IFOAM), Social Accountability International (SAI), and the Conservation Agriculture Network (CAN) have decided to collaborate in a two-year project that started in 2000 and that is aimed to strengthen the links between the labour rights, environmental and fair trade agendas in agriculture.[14] More specifically, the objectives of the project are 'to develop guidelines and tools for the implementation of social audits in sustainable agriculture for a wide range of agricultural production systems and product chains and to develop closer co-operation through shared learning.' The final results of the project will be presented at an international seminar, that is expected in early 2003.

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13   Http://www.isealalliance.net, 11/3/02.
14   Http://www.isealalliance.net/socialaccountability.htm, 11/3/02.

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Appendix I.

Table 1 Environmental labelling schemes

Continent	Country	Labelling Scheme	Number of product categories
Africa			0
Asia	China	Chinese Ecolabel	8
	Hong Kong	Green Label Hong Kong	21
	India	Eco-Mark India	15
	Israel	Green Label Israel	9
	Japan	Ecomark Japan	31
	Korea	Ecomark Korea	19
	Malaysia	Product Certification Programme	4
	Singapore	Green Label Singapore	15
	Taiwan	Green Mark Taiwan	26
	Thailand	Thai Green Label Scheme	12
Australasia	New Zealand	Environmental Choice NZ	11
Europe-EU	Austria	Austrian Ecolabel	20
	Denmark, Finland, Iceland, Norway, Sweden	Nordic Swan	31
	France	NF Environment	4
	Germany	Blue Angel	22
	Germany	Green Dot	1
	Netherlands	Stichting Milieukeur	18
	Spain	AENOR Medio Ambiente	6
	Sweden	Good Environmental Choice	-
	UK, Greece, Portugal, Belgium, Luxembourg, Italy, Ireland	EU Ecolabel Award Scheme	10
Europe-non EU	Croatia	Croatian Environmental Label	9
	Czech Republic	Czech Environmental Label	12
	Hungary	HELO	18
Multi-continent	US, Australia, New Zealand, Japan, Sweden	Energy Star	8
North America	Canada	Canadian Environmental Choice	26
	US	Green Seal	23
South America	Brazil	Brazilian Ecolabel	-

Table 2 GEN product categories and the number of environmental labelling schemes covering each category

Product Category	Product Sub-category	GEN product category code	No. of Labelling Schemes (n = 27)
Batteries	Batteries	1100	12
Burners/Boilers	Burners/Boilers	1200	5
Cleaning	Cleaners	1300	9
	Detergents	1301	12
	Others - Cleaning	1302	6
Clothing/Textile	Clothing/Textile	1400	12
Construction/Building	Building Materials	1500	9
	Thermal Insulation	1501	4
	Wall Coverings	1502	2
	Road Materials	1503	4
	Machinery	1505	0
	Windows	1506	2
	Others - Construction/Building	1507	9
Gardening/Agriculture	Composters/Composts	1600	8
	Lubricanting Oil	1601	11
	Machines	1602	1
	Others - Gardening/Agriculture	1603	5
Home Appliance	Refrigerators/Freezers	1701	14
	Air-Conditioners	1702	6
	Washing Machines/Dryers	1703	8
	Dishwashers	1704	3
	Water Heaters	1705	4
	Home Heaters	1706	2
	Others - Home Appliance	1707	11
Home Care Products	Paints/Vanishes	1800	16
	Others - Home Care Products	1801	5
Lights	Lights	1900	12
Office Equipment/Furniture	Copier	2000	5
	Printer/Facsimile	2001	7
	Toner Cartridge	2002	7
	Computer/Monitor	2003	7
	Furniture	2004	6
	Others - Office equipment/furniture	2005	1
Office Supplies (not paper specific)	Office Supplies (not paper specific)	2100	4
Package/Container (not paper specific)	Package/Container (not paper specific)	2200	12
Paper Products	Fine/Copying/Printing	2300	13

	Paper		
	Newsprint	2301	5
	Sanitary Paper	2302	16
	Packaging Paper	2303	4
	Stationery	2304	9
	Others - Paper Products	2305	14
Personal Care Products	Diapers	2400	5
	Others - Personal Care Products	2401	9
Services	Services	2500	4
Solar-Energy	Solar-Energy	2600	7
Vehicles/Fuels	Vehicles/Motorcycles	2700	3
	Tires	2701	5
	Marine	2702	2
	Engine Oil	2703	4
	Fuels	2704	4
	Others - Vehicles/Fuels	2705	8
Water-Saving	Water-Saving	2800	9
Others	Others - All	4000	18