
VOLUNTARY SUSTAINABILITY CERTIFICATIONS: WHAT IS THE POINT?

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A COMMENTARY ON J. Grabs (2020), *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector* (Cambridge: Cambridge University Press).

ABSTRACT

Voluntary sustainability certifications aim to achieve human rights objectives and sustainable development goals by creating rigorous standards, enforcing them, and labeling the resulting products as “ethical.” Tens of thousands of workers depend on certifications for decent wages, equitable opportunities, and safe working conditions. If certifications do not achieve these goals and reforming them is resource intensive and highly improbable, what is the point?

SINCE THE LATE 1990s, voluntary sustainability certifications—such as the Forest Stewardship Council and Fairtrade International—have been working to improve labor and environmental standards in the context of global supply chains. “Certifications” (as I refer to them here) aim to promote social justice, fair wages, safe working conditions, community development, and other tenets of sustainable development and human rights. They do so by creating standards that are more rigorous than state regulations, verifying that farms and factories comply, and communicating those achievements to brands, retailers, and consumers with an ethical logo or “label.” Progressives support certifications because they aim to do what the state *cannot achieve*: protect workers

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against capitalist exploitation. Neoliberals promote them because they do what states *should not endeavor to achieve*: overregulation of the private sector. Today, certifications shape the incomes and working conditions of tens of thousands of workers located in almost every country and across a wide variety of sectors.

Do certifications achieve their human rights objectives? How can we reliably claim to know? Who could do what to improve their efficacy? In *Selling Sustainability Short*, Janina Grabs explicitly and brilliantly addresses these questions, making three significant contributions to theories of sustainable supply chains, private economic governance, and fair trade. Yet, the most important achievement of the book is an argument that Grabs implies but does not explicitly make: *(even though it should be) perhaps sustainability is not the point.*

Grabs's first scholarly contribution is the development of a brilliant, novel theoretical framework for assessing the efficacy of certifications. Grabs's framework—which will likely become the gold standard for certification impact studies—takes a micro-institutional approach. It assumes that individuals make rational decisions in response to the incentives offered by the institutions around them (Kiser and Ostrom 2000). Thus, an effective certification is one that offers financial incentives that cover the costs and risks of transitioning to sustainable production. To know whether a certification is likely to generate this outcome, Grabs's framework points us to certifications' institutional design and implementation context. In terms of institutional design, certifications are more likely to succeed when their economic goals, implementation strategy, standards content, enforcement, and relationship to other standards are both “broad” (covering a lot) and “deep” (rigorous). In terms of implementation context, certifications are more likely to succeed when they align with other rules, norms, and market forces (e.g., capacity building support and local laws).

Grabs's second contribution is an arresting analysis of the efficacy of certifications. Grabs uses her framework to examine seven certifications' impact on sustainability in the coffee sector. Her empirical analysis draws on a staggering collection of original data that spans the farm, country, value chain, and global market levels of

analysis. The findings suggest that coffee certifications *do not* offer enough compensation to motivate farmers to transition to deeply sustainable practices (Jaffee 2007; Bacon et al. 2008; Lyon 2011). She argues that the lived experience of coffee farming is so challenging, and sustainability certifications so impotent, that future generations of coffee farmers are likely to abandon their land and crops in search of better opportunities. Given coffee's similarities to other industries, Grabs generalizes from her findings to argue that certifications, in general, are unlikely to facilitate significant sustainable change (MSI 2020).

Grabs's third contribution is the identification of several well-evidenced reforms likely to improve social and sustainability outcomes. Grabs argues that, most importantly, certifications must provide financial incentives that cover the costs of sustainable production. Additionally, they should provide clear behavioral rules, offer continuous capacity building, maintain price floors, include suppliers in high-level decision making, and smooth demand. Civil society, social movements, watchdog organizations, and the public sector should offer capacity building to help producers maximize certification's advantages. Finally, buyers (consumers, retailers, public procurement agents, and brands) should reward only the most rigorous certifications with public praise and large, consistent orders. Grabs suggests that each of these is necessary, and implies that none of them, alone, is likely to facilitate a transformation to deeply sustainable practices.

Overall, *Selling Sustainability Short* highlights that certifications are currently ineffective and shows that improving their efficacy would require so many actors to make so many investments that they would become inefficient. In my analysis, these findings present what appears to be an insurmountable trade off: Certifications can be either effective (successful at achieving their human rights and environmental goals) or efficient (the best use of resources), but not both.

Perhaps this is why Grabs points to a more straightforward approach. She suggests we "reconsider coffee [and presumably other commodities] as a luxury good, and become willing to pay higher prices

per unit while limiting our individual consumption” and notes that doing so could address “both producer livelihoods and ecosystem preservation” (39). While I agree that consumers *could* simply choose to pay more for less, and doing so *would* be far more resource-efficient than the behemoth bureaucracy of certifications, I am not confident that approach would be as effective as certifications. To my understanding, the need to support consumers in their desire to “pay more for less” was the very impetus for fair trade labeling, which paved the way for today’s “certification revolution” (Conroy 2007).

While voluntary simplicity may not be the answer, there are other alternatives to improving supply chains’ social sustainability outcomes. The Worker-Driven Social Responsibility Network (WSRN) is a consortium that includes the Accord on Fire and Building Safety, a worker-driven response to the 2013 Rana Plaza factory fire killing more than 1200 in Bangladesh, and the Fair Food Program, a farm worker initiative contracting with major fast-food retailers in the United States. The WSRN empowers suppliers to negotiate binding contracts with buyers, allowing labor representatives to impose costs on employers who fail to live up to their commitments. Similarly, the Better Buying program encourages brands to improve their buying practices so that suppliers are less pressured to violate labor rights in response to short lead times, erratic demand, and expectation of rock-bottom prices. Better Buying does this by providing a platform on which suppliers can rate the purchasing practices of the brands and retailers that buy from them. While the WSRN and Better Buying may not be as effective and efficient as justice-oriented public policies, law enforcement, and judicial systems, they still may offer improvements over certification.

Given the effectiveness/efficiency tradeoff of certifications—and the availability of alternative approaches—Why do certifications continue to gain market share? Who advocates for this strategy and to what ends? As Grabs puts it, in the final line of the book: “...if all the [certification] institutions and governance arrangements we study do not lead us to greater environmental protection and social equity, *what is the point?*” (266, emphasis added). While *Selling Sustainability Short* does not explicitly answer this question, in my perspective, the findings clearly suggest that sustainability *is not* the point. Extant scholarship suggests

a few alternatives: Corporations use certifications to improve their images without altering their practices; States turn to certifications to avoid taking responsibility for regulation and governance; Individuals look for certifications to avoid the work of ethical consumerism; and NGOs choose certifications because they generate quantifiable results (e.g., number of farmers certified) instead of messy consequences (e.g., workers' empowerment) (Raynolds and Bennett 2015).

It is not uncommon, of course, for the beneficiaries of capitalism to create elaborate schemes that enable them to feel good about themselves without actually challenging inequality or changing the status quo (Giradharadas 2019, 164). In the case of sustainability certifications, would it be an overstatement to claim that this has become “the point”? Ironically, while *Selling Sustainability Short* provides a brilliant framework for asking whether certifications work, its greater achievement is motivating readers to ask even more challenging questions.

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