

## Different perspectives on the effective institutionalisation of sustainability product labelling: the role of legitimacy



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## Overview



# Overview

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## Introduction

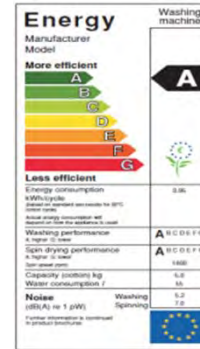


# Introduction

- Large agreement that current production and consumption practices are in tension with ecological limits
- Multiple challenges including uncertainties, interdependencies and intergenerational aspect
- Limited capacity of traditional governmental rule making
- Neoliberal trend towards market instruments, participation and less influence of the state - governance

→ Product labelling schemes as one example





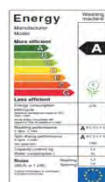
# Research question and methodology

- What drives the effectiveness of sustainability product labelling schemes?
- Four case studies (literature review and interviews)

- EU ecolabel



- EU energylabel



- Fair Trade label



- Marine Stewardship Council label

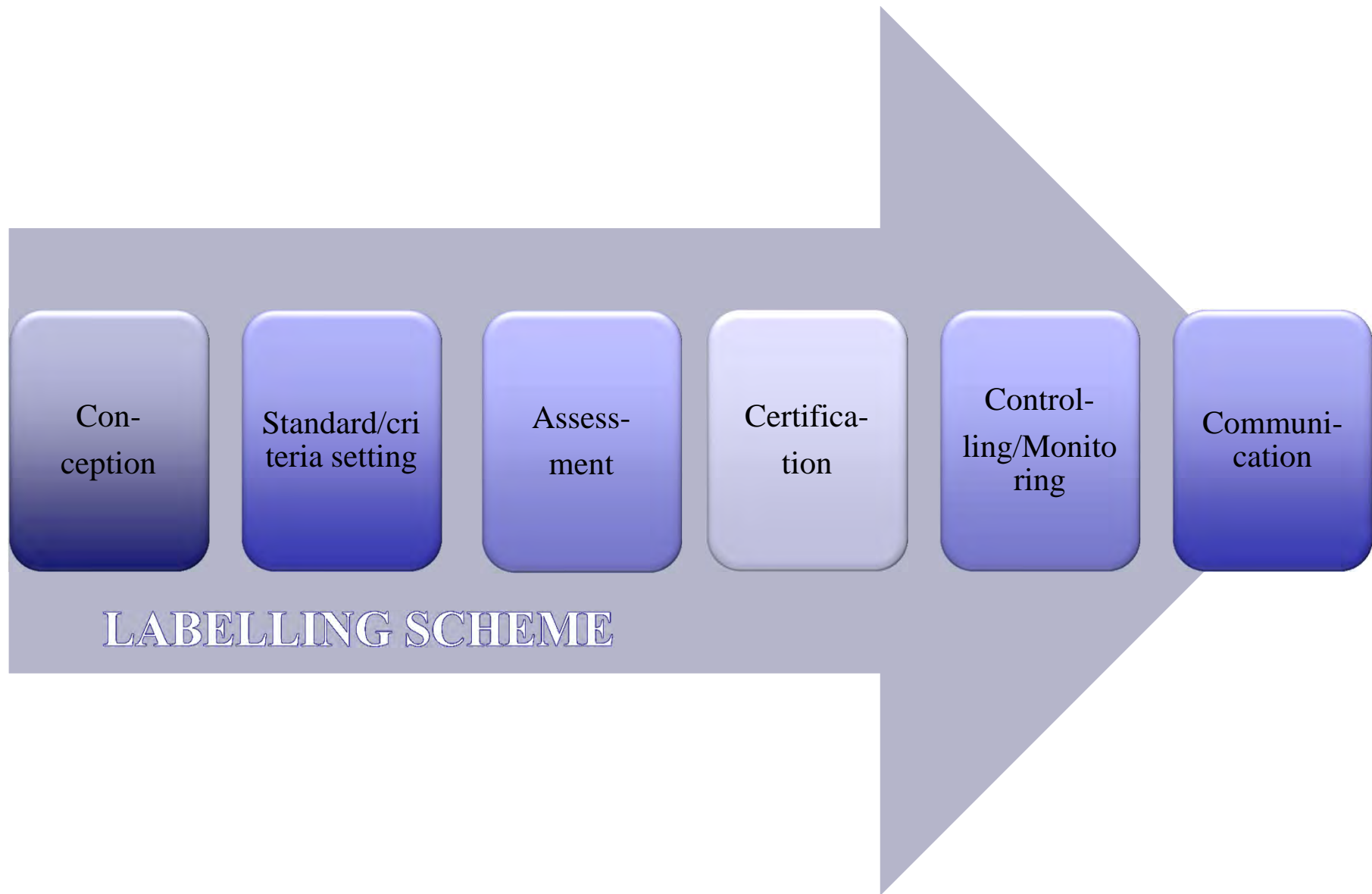


## The instrument of product labelling





## Terminology - typical labelling process



## Product labelling schemes as ‘Order’/Institution

“Institutions give order to social relations, reduce flexibility and variability in behaviour” (Weber & Roth 2007 cited in March & Olsen 2006, p 7)

- Labelling schemes as providing ‘order’, defined as action acting upon or following an assignable maxim (Weber 1922)
- Labelling schemes offer a frame of reference to orient behaviour and social relations
- Labelling schemes as governance mechanisms
- Institutional orders or governance mechanisms vary in their degree of institutionalisation (prevalence)
- Taken for grantedness as “holy grail” for global governance institutions (Koppel 2008, p.184)

## Four perspectives on the institutionalisation of product labelling schemes



## Rational perspective





## Rational perspective

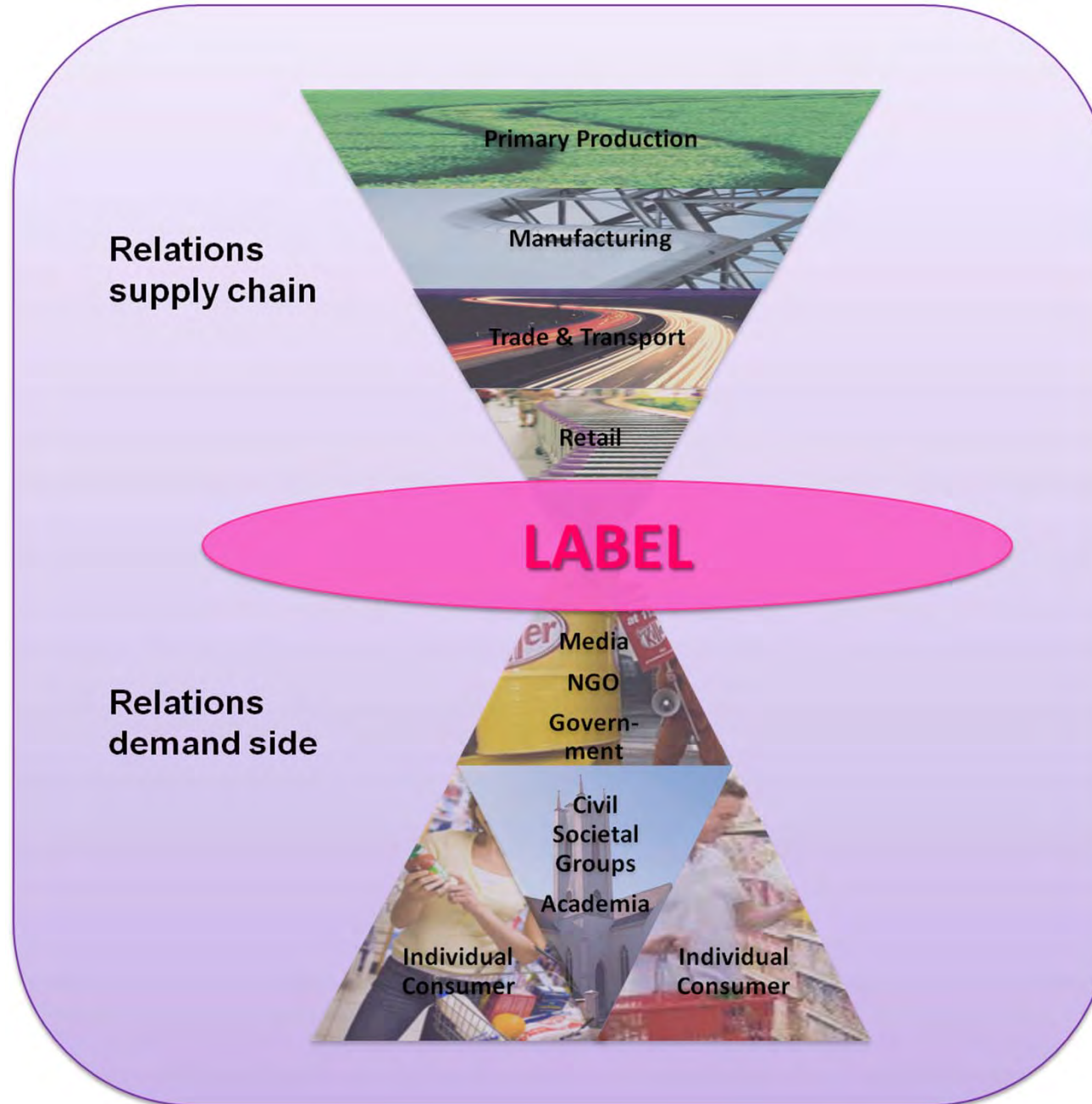




## Sociological perspective



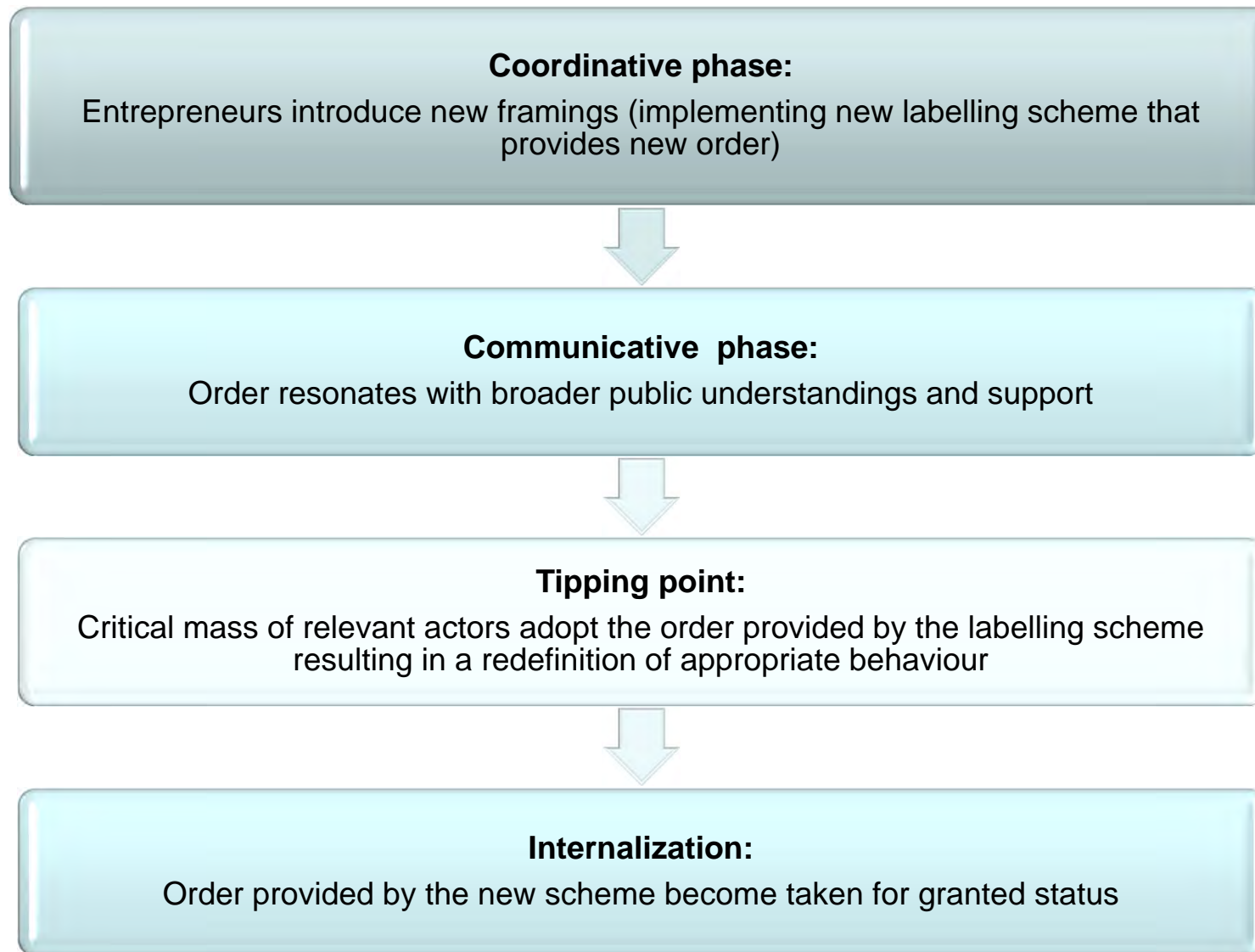
# Network perspective



## Discourse/constructivist perspective

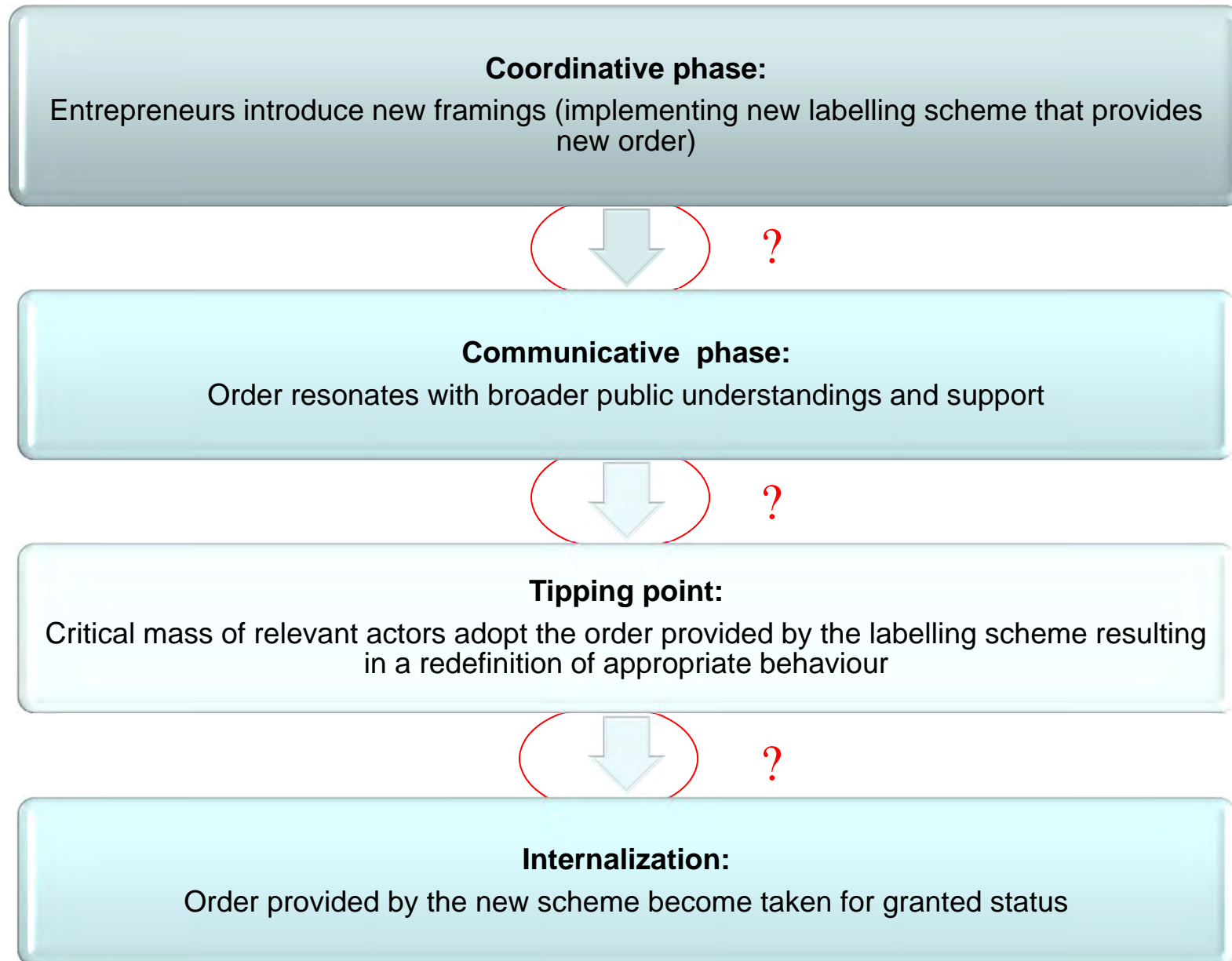
- Combine rational with structural approaches
- Institutions as "codified systems of idea[s] and the practices they sustain" (Hay 2006, p 66)
- Codification through discourse
- Discourses bring rules, values and practices through which actors arrive at ethical judgements as well as appraisals of their self interested cost-benefit calculations and relevant exchange relations
- Can also be used by entrepreneurial actors to produce new ideas in an interactive process

# Discourse/constructivist perspective



Based on Finnemore, M. & Sicking, K. (1998); Greenwood et al (2002); Schmidt (2006)

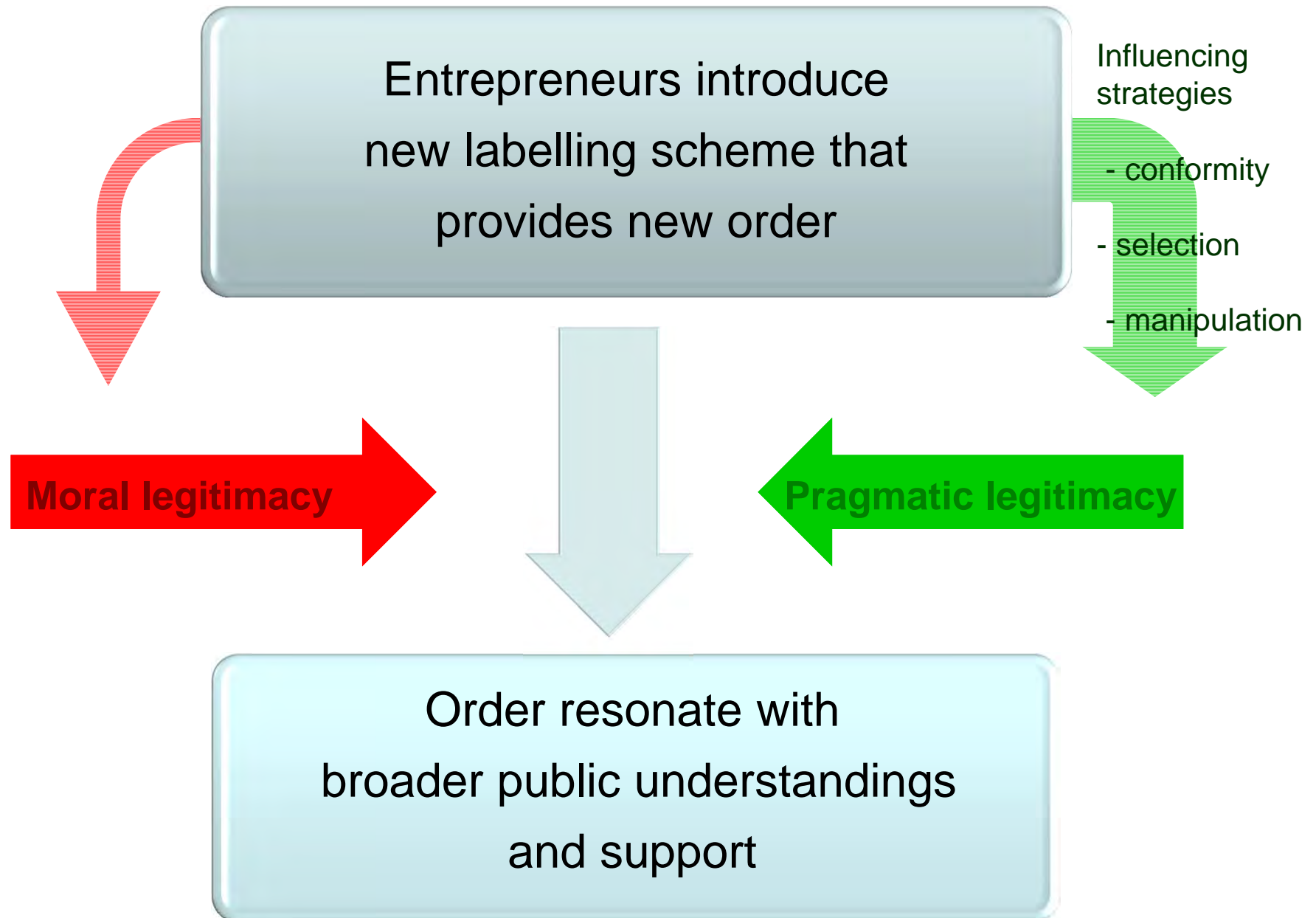
# Institutional/constructivist perspective

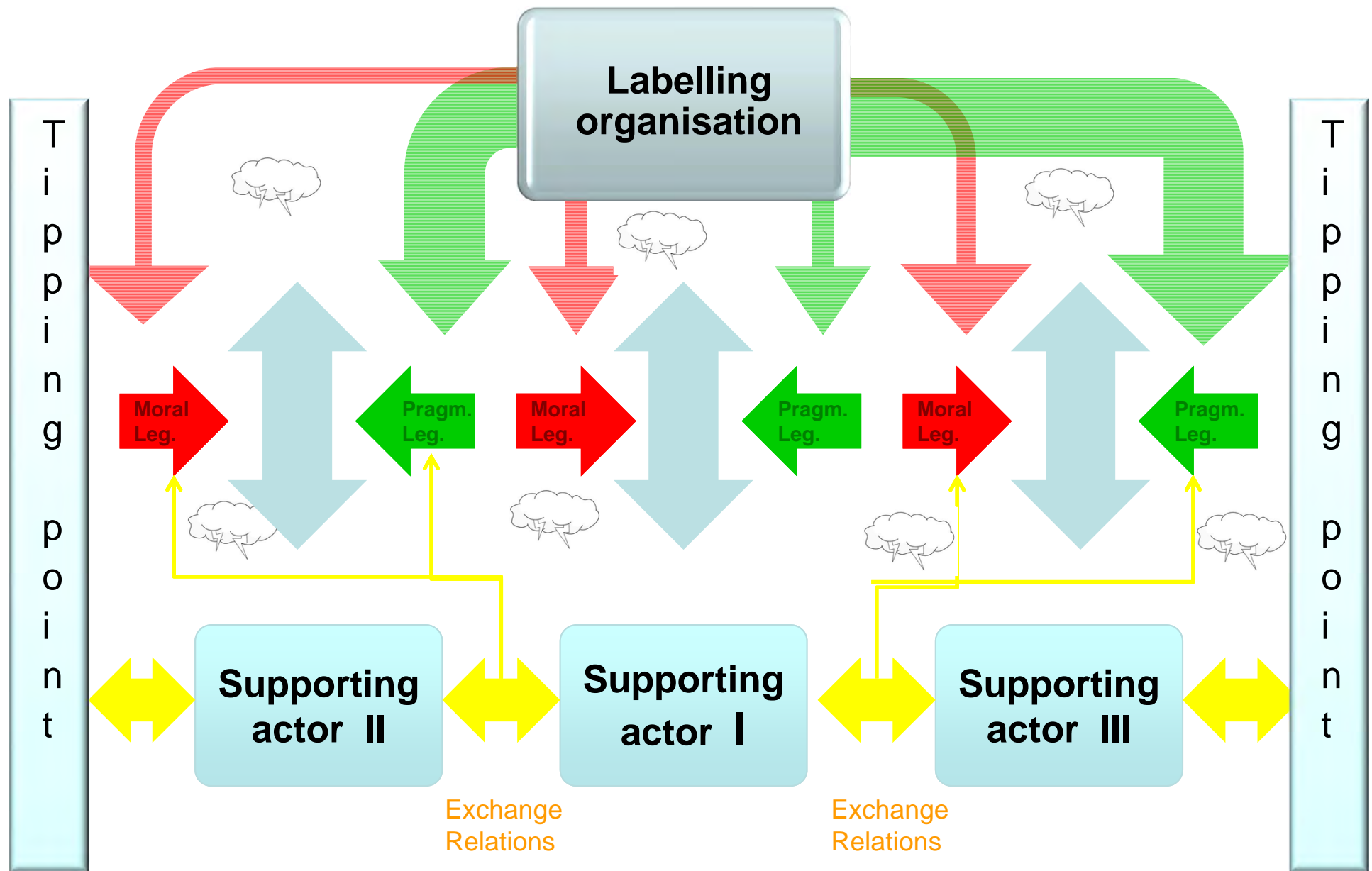




## The argument for legitimacy







## The legitimacy construction of product labelling



# Legitimacy construction of product labelling

- Some labelling schemes base their authority on the hierarchical position of the state
- Most labelling dynamics based on non hierarchical steering and/or driven outside the governmental sphere

→ Need for alternative legitimacy processes

- Understandability
- Consequential
- Procedural
- Knowledge
- Traditional
- Charismatic



## Conclusion



## Conclusion

- The effective institutionalisation of product labelling schemes is determined not only by the producer consumer relationship but by a complex construction around different legitimacy criteria between the labelling organisation and various other actors within the production and consumption system.
- The different dimensions of legitimacy are highly interconnected and often inherently conflicting.
- These conflicts pose the major challenge for the effective institutionalisation of product labelling schemes.

# Thank You



## Selected Literature

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