

9. The efficacy of voluntary standards, sustainability certifications, and ethical labels

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1. INTRODUCTION

Karl Polanyi famously argued that when industrialization and globalization lengthen supply chains, the economic activities that comprise them are more easily “disembedded” from the fabric of social life.² As market transactions become distant and opaque, it is more challenging for individuals or businesses to sanction unsavory economic activities, such as labor exploitation, forced labor, child labor, unsafe working conditions, indecent work, union suppression, or inadequate pay. Similarly, states find it more challenging to constrain the impact of business on human rights when companies outsource, offshore, and subcontract overseas. Perhaps it is unsurprising, then, that during the last wave of globalization (1994–2018) a new innovation emerged to constrain the impact of business on human rights: voluntary sustainability standards (VSS).

VSS offer the opportunity for market actors—such as suppliers, buyers, retailers, brands, and end consumers—to “opt in” to a regulatory regime that protects human rights to a greater extent than the state does. Typically, they focus on the rights of workers (hired employees) and the wellbeing of smallholder farmers. Most also aim to promote environmental stewardship, and thus use the term “sustainability” to capture this dual mission of promoting human rights and the environment. Are VSS effective in promoting human rights in the context of business and globalized supply chains? This chapter shows that, although VSS deliver some benefits in select contexts—and likely generate some positive spillover effects—they largely fall short of achieving their objectives.

This chapter first describes the concept and origin of VSS. It then highlights some of the challenges to assessing whether or not VSS have been effective in promoting human rights. After illustrating how VSS have at times been effective or ineffective in achieving human rights objectives, it argues that the impact of VSS is highly context specific. Thus, the majority of this chapter examines the conditions under which VSS are more likely to be successful in promoting human rights. It focuses on eight sets of factors that can impact effectiveness: (1) governance, representation, and the standards-setting process; (2) standards’ content, scope, and implementation; (3) auditing; (4) suppliers’ experiences; (5) behavior of buyers and

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² Polanyi, K. (1944). *The Great Transformation: The Political and Economic Origins of Our Time*. Beacon Press.

brands; (6) consumer discretion and demand; (7) supplier country conditions; and (8) relationships among relevant actors.

Given these findings, the chapter goes on to ask what role VSS can and should play in promoting human rights. The discussion highlights arguments on both sides of three debates: First, are VSS more impactful in democratizing regulatory decision-making or catalyzing corporate interests? Second, do VSS fill gaps in public regulation and/or do they shape the public regulations themselves? Third, would social justice and human rights objectives be better served by replacing VSS or by reforming them? The chapter closes with suggestions for future research.

2. WHAT ARE VOLUNTARY SUSTAINABILITY STANDARDS?

VSS are also referred to as private regulation,³ sustainability certificates,⁴ sustainability standards,⁵ eco-labels,⁶ non-state market-driven governance systems⁷ regulatory standard-setting schemes,⁸ private governance organizations,⁹ international accountability standards,¹⁰ voluntary sustainability standards systems,¹¹ certification schemes,¹² transnational private regulation,¹³ transnational market-driven regulatory governance initiatives,¹⁴ and multi-stakeholder

³ Bartley, T. (2018). *Beneath Compliance Corporate*. In *Rules without Rights: Land, Labor, and Private Authority in the Global Economy* (pp.1–351).

⁴ Marx, A. (2018). Integrating Voluntary Sustainability Standards in trade policy: the case of the European Union's GSP scheme. *Sustainability*, 10(4364), 1–22.

⁵ Fair World Project, Commerce Équitable France, FairNess, Forum Fairer Handel. (2020). *International Guide to Fair Trade Labels: Edition 2020*.

⁶ van der Ven, H. (2019). *Beyond Greenwash: Explaining Credibility in Transnational Eco-Labeling*. Oxford University Press.

⁷ Cashore, B. (2002). Legitimacy and the privatization of environmental governance: How Non-State Market-Driven (NSMD) governance systems gain rule-making authority. *Governance: An International Journal of Policy, Administration, and Institutions*, 15(4), 503–29; Bernstein, S., & Cashore, B. (2007). Can non-state global governance be legitimate? An analytical framework. *Regulation & Governance*, 1(4), 347–71.

⁸ Abbott, K.W., & Snidal, D. (2009). Strengthening international regulation through transnational new governance: overcoming the orchestration deficit. *Vanderbilt Journal of Transnational Law*, 42(March).

⁹ Franssen, L. (2015). The politics of meta-governance in transnational private sustainability governance. *Policy Sciences*, 48(3), 293–317.

¹⁰ Gilbert, D.U., Rasche, A., & Waddock, S. (2011). Accountability in a global economy: the emergence of international accountability standards. *Business Ethics Quarterly*.

¹¹ Tayleur, C., Balmford, A., Buchanan, G. M., Butchart, S. H. M., Corlet Walker, C., Ducharme, H., ... Phalan, B. (2018). Where are commodity crops certified, and what does it mean for conservation and poverty alleviation? *Biological Conservation*, 217, 36–46.

¹² Ibid.

¹³ Bartley, T. (2007). Institutional emergence in an era of globalization: the rise of transnational private regulation of labor and environmental conditions. *American Journal of Sociology*, 113(2), 297–351.

¹⁴ Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge University Press.

initiatives.¹⁵ In his chapter in this volume, Andreas Rasche offers a detailed discussion of these terms in a section aptly titled “What’s in a name.” In general, these terms refer to initiatives that non-state actors, such as non-profit organizations (NGOs) and business associations, have developed outside of state and international legal systems to create social and/or environmental standards for private sector activities and certify the businesses that comply with them. Typically, these initiatives are governed by a “multi-stakeholder” body that includes representatives of various sectors; they target global value chains, require participating businesses to hire a third-party independent auditor to verify compliance, and use labels to communicate compliance to consumers. Although many scholars have developed nuanced analytical frameworks that categorize these activities by form (participatory makeup and governance structure), scope (their reach in terms of product, industry, or geography), and function (the role they are seeking to perform)¹⁶ there is no complete taxonomy for these initiatives.¹⁷

In this chapter, “VSS” refers to the standards, verification, and certification systems created by coalitions of non-state actors for voluntary adoption by businesses aiming to communicate commitment to social, environmental, fair trade, or sustainability objectives. Commonly recognized examples include the Forest Stewardship Council (FSC), the Roundtable on Sustainable Palm Oil (RSPO), Fairtrade, the Rainforest Alliance, and Social Accountability International (SAI) SA800. “VSS” does not refer to initiatives that companies develop for themselves, that states develop for the private sector, or that industries develop for the purpose of improving quality or marketing.

VSS emerged in the 1990s in response to a perceived failure of public governance.¹⁸ For many decades, social movement groups, human rights activists, and economic justice advocates had been pressuring states and international organizations, including the World Trade Organization (WTO) and International Labour Organization (ILO), to develop and enforce regulations to improve the impact of domestic and international business activity on society and the environment.¹⁹ Frustrated with the public policy process and concerned about the impact that the late 1990s wave of globalization (marked by an increase in international trade

¹⁵ Brès, L., Mena, S., & Salles-Djelic, M. (2019). Exploring the formal and informal roles of regulatory intermediaries in transnational multistakeholder regulation. *Regulation & Governance* (February), rego.12249.

¹⁶ Bernstein, S., & Cashore, B. (2007). Can non-state global governance be legitimate? An analytical framework. *Regulation & Governance*, 1(4), 347–71; Gilbert, D.U., Rasche, A., & Waddock, S. (2011). Accountability in a global economy: the emergence of international accountability standards. *Business Ethics Quarterly*; Baumann-Pauly, D., Nolan, J., & Posner, M. (2016). *The Future of Business and Human Rights*. In J. Nolan & D. Baumann-Pauly (eds), *Business and Human Rights: From Principles to Practice* (pp. 316–20). Routledge; Baumann-Pauly, D., Nolan, J., van Heerden, A., & Samway, M. (2017). Industry-specific multi-stakeholder initiatives that govern corporate human rights standards: legitimacy assessments of the Fair Labor Association and the Global Network Initiative. *Journal of Business Ethics*, 143(4); Lambin, Eric F., & Thorlakson, Tannis (2018). Sustainability standards: interactions between private actors, civil society, and governments. *Annual Review of Environment and Resources*, 43(1), 369–93. <https://doi.org/10.1146/annurev-environ-102017-025931>.

¹⁷ Gilbert, D.U., Rasche, A., & Waddock, S. (2011). Accountability in a global economy: the emergence of international accountability standards. *Business Ethics Quarterly*.

¹⁸ Gulbrandsen, L.H. (2004). Overlapping public and private governance: can forest certification fill the gaps in the Global Forest Regime? *Global Environmental Politics*, 4(2), 75–99.

¹⁹ MSI (Multi-Stakeholder Integrity). (2020). *Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance*. Pittsfield, MA.

and financial market liberalization) would have on human rights, civil society began appealing directly to corporations and consumers.²⁰ This wave of naming and shaming campaigns against corporations and “political” or “ethical” consumer movements²¹ ushered in a new era of private (non-state) voluntary (non-legally binding) regulation.

Some of the human rights issues targeted by VSS standards include wage theft, sexual harassment and discrimination, human trafficking, child labor, forced labor, unsafe working conditions, un- or under-paid overtime, and union-busting. Labels identifying themselves as “fair trade” focus on economic rights.²² The most rigorous VSS offer workers a fair price/wage, a fund for community projects, access to low-interest pre-financing for business investments, and an advance commitment from buyers or long-term work contracts. They also verify compliance with ILO conventions; equal treatment of all workers; support for a formalized collective structure; paid leave for vacation, maternity, and sickness; retirement savings; inclusion of marginalized groups; capacity building; respect for indigenous culture; democratic decision-making; safe working conditions; freedom from hazardous substances; and the opportunity to fairly process grievances.²³ In providing these benefits and ensuring these freedoms, VSS aim to provide more robust support for human rights than that offered by the state.

By the 2000s, certifications had become the “gold standard” of non-state regulation.²⁴ Businesses began leveraging certifications to signal social and/or environmental commitments or capabilities²⁵ and consumers relied on labels to guide them in “voting with their dollar.”²⁶ VSS rapidly proliferated. According to Ecolabel Index, the number of VSS grew by almost 400 percent between 1989 and 2016.²⁷ Additionally, individual companies (such as Starbucks and Nespresso) created their own standards for social and environmental engagement, verifying compliance either internally or through third party auditing.²⁸ In several cases, the prolif-

²⁰ Ruggie, J.G. (2013). *Just Business: Multinational Corporations and Human Rights*. WW Norton & Company.

²¹ Micheletti, M. (2003). *Political Virtue and Shopping*. Palgrave Macmillan; Barnett, C., Cloke, P., Clarke, N., & Malpass, A. (2011). *Globalizing Responsibility: The Political Rationalities of Ethical Consumption*. Wiley Blackwell.

²² “Fair trade” is the concept, movement, products, organizations, or businesses promoting the fair trade vision. “Fairtrade” is the certification managed by Fairtrade International: Reynolds, L.T., & Bennett, E.A. (2015). *The Handbook of Research on Fair Trade*. Edward Elgar Publishing, pp.5–6.

²³ Fair World Project, Commerce Équitable France, FairNess, Forum Fairer Handel. (2020). *International Guide to Fair Trade Labels*: Edition 2020.

²⁴ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

²⁵ Potoski, M., & Prakash, A. (2005). Green clubs and voluntary governance: ISO 14001 and firms’ regulatory compliance. *American Journal of Political Science*, 49(2), 235–48.

²⁶ Boström, M., Micheletti, M., & Oosterveer, P. (2019). Studying political consumerism. In *The Oxford Handbook of Political Consumerism* (pp.1–25).

²⁷ Marx, A. (2018). Integrating Voluntary Sustainability Standards in trade policy: the case of the European Union’s GSP scheme. *Sustainability*, 10(4364), 1–22.

²⁸ Giuliani, E., Ciravegna, L., Vezzulli, A., & Kilian, B. (2017). Decoupling standards from practice: the impact of in-house certifications on coffee farms’ environmental and social conduct. *World Development*, 96, 294–314; Thorlakson, T. (2018). A move beyond sustainability certification: the evolution of the chocolate industry’s sustainable sourcing practices. *Business Strategy and the Environment*, 27(8); Thorlakson, T., de Zegher, J.F., & Lambin, E.F. (2018). Companies’ contribution to sustainability through global supply chains. *Proceedings of the National Academy of Sciences*, 115(9), 2072–7.

eration of own-brand initiatives resulted in industry organizations consolidating initiatives to form a single, sector-specific standard (such as EuroGAP).

As VSS proliferated, the more rigorous initiatives became concerned about others' lack of rigorous standards, independent evaluation, benefits, impact assessment, and transparency.²⁹ In 2002, they established the International Social and Environmental Accreditation and Labeling (ISEAL) Alliance to improve VSS impact, credibility, uptake, and effectiveness by identifying best practices in social and environmental standards-setting and verification. ISEAL is now a standards-setting organization for standards-setting organizations.³⁰

Today, hundreds of VSS operate worldwide.³¹ Social auditing is an 80 billion USD industry.³² More than 10,000 companies participate in VSS, including 13 of the world's 20 largest companies by revenue.³³ About 80 percent set standards for a single industry while 20 percent operate in multiple industries. Approximately 40 percent certify agriculture, forestry, and fishing; 27.5 percent mining and energy; 15 percent consumer goods; 7.5 percent industrials; 5 percent consumer services; and 2.5 percent technology. Most industry-specific VSS focus on agriculture, forestry, fishing, mining, energy, or consumer goods.³⁴ Crops are certified in 133 countries, covering about 1.1 percent of global cropland, increasing at an annual rate of 11 percent from 2000 to 2012.³⁵ The four crops with the greatest certified area, in descending order, are cotton, cocoa, oil palm, and coffee,³⁶ though sector-specific market penetration figures vary. In coffee, for example, estimates range from 21 percent³⁷ to 40–50 percent of

²⁹ Fair World Project, Commerce Équitable France, FairNess, Forum Fairer Handel. (2020). *International Guide to Fair Trade Labels: Edition 2020*.

³⁰ Franssen, L. (2015). The politics of meta-governance in transnational private sustainability governance. *Policy Sciences*, 48(3), 293–317.

³¹ Ecolabelindex.com; Meier, C., Sampson, G., Larrea, C., Schlatter, B., Voora, V., Dang, D., ... Willer, H. (2020). *The State of Sustainable Markets 2020: Statistics and Emerging Trends*. Geneva: International Trade Centre (ITC), International Institute for Sustainable Development (IISD), Research Institute of Organic Agriculture (FiBL) Publication.

³² AFL-CIO. (2013). *Responsibility outsourced: social audits, work-place certification and twenty years of failure to protect workers' rights*. Washington DC: AFL-CIO.

³³ MSI (Multi-Stakeholder Integrity). (2020). *Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance*. Pittsfield, MA.

³⁴ Ibid.

³⁵ Tayleur, C., Balmford, A., Buchanan, G. M., Butchart, S. H. M., Corlet Walker, C., Ducharme, H., ... Phalan, B. (2018). Where are commodity crops certified, and what does it mean for conservation and poverty alleviation? *Biological Conservation*, 217, 36–46.

³⁶ Meier, C., Sampson, G., Larrea, C., Schlatter, B., Voora, V., Dang, D., ... Willer, H. (2020). *The State of Sustainable Markets 2020: Statistics and Emerging Trends*. Geneva: International Trade Centre (ITC), International Institute for Sustainable Development (IISD), Research Institute of Organic Agriculture (FiBL) Publication.

³⁷ Ibid.

the global cropland.³⁸ The result of this proliferation may best be described as a crowded, fragmented field that collectively generates a ubiquitous presence.³⁹

Most VSS address both social and environmental goals.⁴⁰ These goals are often implicitly or explicitly associated with human rights. Labels identifying with fair trade, for example, aim to support the movement's mission to "transform international trade from a vehicle of exploitation to an avenue of empowerment" by "fostering higher prices and wages, stable markets and employment, better work conditions and environmental sustainability" in the Global South and "bolstering more equitable trade policies, business models and consumption practices" in the Global North.⁴¹ This objective most closely aligns with economic rights issues such as income, profitability, and business opportunities. Yet, fair trade certification also addresses social rights, such as working and living conditions, rights and benefits, community development, and environmental issues, such as conservation, biodiversity, and waste management.⁴²

Similarly, although the Rainforest Alliance was established to address environmental issues, its standards address workers' rights.⁴³ Most VSS address both process rights, such as freedom of association and collective bargaining, and outcome rights, such as wages, hours, benefits, health, safety, child labor, and other issues related to working conditions.⁴⁴ They aim to regulate the rules that govern private sector activities (de jure) as well as the practices taking place in the business setting (de facto).⁴⁵ Many VSS have publicly articulated the ways in which their objectives relate to the Universal Declaration of Human Rights, the International Labor Organization's Core Conventions, and the 2015 Sustainable Development Goals.⁴⁶

³⁸ Julia, Lernoud, Potts, Jason, Sampson, Gregory, Schlatter, Bernhard, Huppe, Gabriel, Woor, Vivek, Willer, Helga, & Wozniak, Joseph. *The State of Sustainable Markets: Statistics and Emerging Trends 2017. The World of Organic Agriculture: Statistics and Emerging Trends 2008*. Geneva: International Trade Centre (ITC), International Institute for Sustainable Development (IISD), Research Institute of Organic Agriculture (FiBL) Publication, 2017.

³⁹ Bartley, T. (2018). *Beneath Compliance Corporate*. In *Rules without Rights: Land, Labor, and Private Authority in the Global Economy* (pp.1–351).

⁴⁰ Auld, G. (2014). *Constructing Private Governance: The Rise and Evolution of Forest, Coffee, and Fisheries Certification*. Yale University Press.

⁴¹ Reynolds, L.T., & Bennett, E.A. (2015). *The Handbook of Research on Fair Trade*. Edward Elgar Publishing, p.3.

⁴² SCSKASC (the Steering Committee of the State-of-Knowledge Assessment of Standards and Certification). (2012). *Toward sustainability: the roles and limitations of certifications*; Fair World Project, Commerce Équitable France, FairNess, Forum Fairer Handel. (2020). *International Guide to Fair Trade Labels: Edition 2020*.

⁴³ Reinecke, J., Manning, S., & von Hagen, O. (2012). The emergence of a standards market: multiplicity of sustainability standards in the global coffee industry. *Organization Studies*, 33(5–6), 791–814.

⁴⁴ Berliner, D., Greenleaf, A. R., Lake, M., Levi, M., & Noveck, J. (2016). *Labor Standards in International Supply Chains: Aligning Rights and Incentives*. Edward Elgar Publishing.

⁴⁵ Ibid.

⁴⁶ Marx, A., & Wouters, J. (2018). Explaining new models of global voluntary regulation: what can organisational studies contribute? *Global Policy*, 9(1).

3. ARE VSS EFFECTIVE IN PROMOTING HUMAN RIGHTS?

3.1 Challenges to Assessing Effectiveness

Evaluating the effectiveness of VSS in promoting human rights is challenging for several reasons. First, data are often incomplete, inaccurate, or biased, because labor rights and working conditions are notoriously difficult to document and measure.⁴⁷ Second, impact studies require a counterfactual control group, which can introduce selection bias and questions of validity.⁴⁸ Third, impact studies are often designed and implemented by outside experts or leaders and may not include or empower rights holders to contribute to research design and implementation in ways that would improve data reliability.⁴⁹ Fourth, meta studies and literature reviews are hampered by inconsistent approaches to conceptualizing and measuring dependent variables.⁵⁰ Many draw on certification uptake statistics and audit reports which may not reflect real implementation on the ground.⁵¹ Fifth, research efforts are uneven in the attention they give to various sectors, certifications, crops, or outcomes. While many studies examine the impact of VSS on smallholder coffee farmers, for example, few examine the experiences of small biofuel producers.⁵² Finally, many studies make context-specific arguments and warn against generalization.⁵³ For example, a review of fair trade impact assessments finds that although farmers' and workers' lived experiences of certifications may be significantly shaped by their gender, data are often not disaggregated in this way, leading to generalizations that may not

⁴⁷ Berliner, D., Greenleaf, A. R., Lake, M., Levi, M., & Noveck, J. (2016). *Labor Standards in International Supply Chains: Aligning Rights and Incentives*. Edward Elgar Publishing; MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

⁴⁸ DeFries, R.S., Fanzo, J., Mondal, P., Remans, R., & Wood, S.A. (2017). Is voluntary certification of tropical agricultural commodities achieving sustainability goals for small-scale producers? A review of the evidence. *Environmental Research Letters*, 12(3).

⁴⁹ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

⁵⁰ Berliner, D., Greenleaf, A.R., Lake, M., Levi, M., & Noveck, J. (2016). *Labor Standards in International Supply Chains: Aligning Rights and Incentives*. Edward Elgar Publishing; DeFries, R.S., Fanzo, J., Mondal, P., Remans, R., & Wood, S.A. (2017). Is voluntary certification of tropical agricultural commodities achieving sustainability goals for small-scale producers? A review of the evidence. *Environmental Research Letters*, 12(3).

⁵¹ Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge University Press.

⁵² Blackman, A., & Rivera, J. (2011). Producer-level benefits of sustainability certification. *Conservation Biology*, 25(6), 1176–85; Loconto, A., & Dankers, C. (2014). *Impact of International Voluntary Standards on Smallholder Market Participation in Developing Countries*. Rome: Food and Agriculture Organization of the United Nations; DeFries, R.S., Fanzo, J., Mondal, P., Remans, R., & Wood, S.A. (2017). Is voluntary certification of tropical agricultural commodities achieving sustainability goals for small-scale producers? A review of the evidence. *Environmental Research Letters*, 12(3).

⁵³ SCKASC (the Steering Committee of the State-of-Knowledge Assessment of Standards and Certification). (2012). *Toward sustainability: the roles and limitations of certifications*; Terstappen, V., Hanson, L., & McLaughlin, D. (2013). Gender, health, labor, and inequities: A review of the fair and alternative trade literature. *Agriculture and Human Values*, 30(1), 21–39; Loconto, A., & Dankers, C. (2014). *Impact of International Voluntary Standards on Smallholder Market Participation in Developing Countries*. Rome: Food and Agriculture Organization of the United Nations.

hold true for a significant portion of intended beneficiaries.⁵⁴ While several authors⁵⁵ have developed theoretical frameworks for analyzing the effectiveness of VSS in particular contexts, no approach has been applied in enough contexts (sectors, regions, and so on) to reliably assess the overall effectiveness of VSS on promoting human rights.⁵⁶

3.2 Illustrations of Effectiveness and Ineffectiveness

Interestingly, VSS rarely study their own effects. In the past five years, only 5 of the 20 longest established VSS have directly evaluated their impacts on rights holders.⁵⁷ There is, however, a substantial body of rigorous, context-specific third-party and academic research evaluating VSS effectiveness. Unequivocally, these studies show that even the most credible VSS are not guaranteed to generate positive impacts on human rights in any given context. However, their results illustrate that VSS can, in some contexts, be effective in promoting select aspects of human rights. This section examines the often mixed, inconclusive, highly nuanced, and context-specific findings about the effectiveness of VSS in promoting economic human rights—the most common dependent variable in this body of research.⁵⁸ This section aims to highlight significant contributions to this literature.

VSS impact on economic rights varies greatly. In a meta-study of publications on the impact of VSS on tropical commodities producers' incomes, for example, researchers found that of the 347 response variables related to income, only 34 percent showed positive impacts while 58 percent showed no impact and 8 percent reported a negative impact (such as investing more on certification fees than is recouped with higher prices).⁵⁹ Similarly, a meta-analysis of 11 studies found that only four offered credible evidence that VSS generate income benefits, and among those four only two suggested those outcomes were consistent.⁶⁰ Chiputwa and colleagues conclude that although Utz standards have no impact, Fairtrade standards reduce poverty among smallholder coffee farmers in Uganda.⁶¹ VSS impacts on the livelihood

⁵⁴ Terstappen, V., Hanson, L., & McLaughlin, D. (2013). Gender, health, labor, and inequities: a review of the fair and alternative trade literature. *Agriculture and Human Values*, 30(1), 21–39.

⁵⁵ See e.g. Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge University Press.

⁵⁶ Blackman, A., & Rivera, J. (2011). Producer-level benefits of sustainability certification. *Conservation Biology*, 25(6), 1176–85; Milder, J.C., Arbuthnot, M., Blackman, A., Brooks, S. E., Giovannucci, D., Gross, L., ... Zrust, M. (2015). An agenda for assessing and improving conservation impacts of sustainability standards in tropical agriculture. *Conservation Biology*, 29(2), 309–20.

⁵⁷ MSI (Multi-Stakeholder Integrity). (2020). *Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance*. Pittsfield, MA.

⁵⁸ Seidman, G.W. (2007). *Beyond the Boycott: Labor Rights, Human Rights, and Transnational Activism*. New York: Russell Sage Foundation; Vinodkumar, M.N., & Bhasi, M. (2011). A study on the impact of management system certification on safety management. *Safety Science*, 49(3), 498–507.

⁵⁹ DeFries, R.S., Fanzo, J., Mondal, P., Remans, R., & Wood, S.A. (2017). Is voluntary certification of tropical agricultural commodities achieving sustainability goals for small-scale producers? A review of the evidence. *Environmental Research Letters*, 12(3).

⁶⁰ Blackman, A., & Rivera, J. (2011). Producer-level benefits of sustainability certification. *Conservation Biology*, 25(6), 1176–85.

⁶¹ Chiputwa, B., Spielman, D.J., & Qaim, M. (2015). Food standards, certification, and poverty among coffee farmers in Uganda. *World Development*, 66, 400–12.

of smallholder farmers at the production level are still widely debated.⁶² Studies generate a range of results, including positive economic effects,⁶³ positive social effects,⁶⁴ insignificant effects,⁶⁵ mixed results,⁶⁶ highly contingent impacts,⁶⁷ and negative impacts.⁶⁸ Studies of VSS impact poverty reduction and farmers' wellbeing generate mixed results.⁶⁹ Ruben et al. and Terstappen et al. argue that increases in income are possible but not guaranteed.⁷⁰ Oya et al. find that certification schemes have an unclear impact on the economic wellbeing of farmers and workers because they increase prices and income from produce, but not wages or total household income.⁷¹ Multiple meta reviews of studies of VSS in Latin America show a likelihood of higher prices, but argue that those prices do not necessarily translate to higher household incomes.⁷² Yet, recent studies from countries in Africa show more significant

⁶² Hidayat, N.K., Glasbergen, P., & Offermans, A. (2015). Sustainability certification and palm oil smallholders' livelihood: a comparison between scheme smallholders and independent smallholders in Indonesia. *International Food and Agribusiness Management Review*, 18(3).

⁶³ Bacon, C. (2005). Confronting the coffee crisis: Can Fair Trade, organic, and specialty coffees reduce small-scale farmer vulnerability in Northern Nicaragua? *World Development*, 33(3), 497–511; Becchetti, L., & Constantino, M. (2008). The effects of fair trade on affiliated producers: an impact analysis on Kenyan farmers. *World Development*, 36(5), 823–42; Beuchelt, T.D., & Zeller, M. (2011). Profits and poverty: certification's troubled link for Nicaragua's organic and fairtrade coffee producers. *Ecological Economics*, 70(7), 1316–24.

⁶⁴ Giovannucci, Daniele, Potts, Jason, Killian, B., Wunderlich, C., Soto, G., Schuller, S., Pinar, F., Schroeder, K., Vagneron, I. (2008). *Seeking Sustainability: COSA Preliminary Analysis of Sustainability Initiatives in the Coffee Sector*. Committee on Sustainability Assessment (COSA) and International Institute for Sustainable Development (IISD), Winnipeg, Canada: IISD; Elder, S.D., Zerriffi, H., & Le Billon, P. (2012). Effects of fair trade certification on social capital: the case of Rwandan coffee producers. *World Development*, 40(11), 2355–67.

⁶⁵ Bacon, C.M., Ernesto Méndez, V., Gómez, M.E.F., Stuart, D., & Flores, S.R.D. (2008). Are sustainable coffee certifications enough to secure farmer livelihoods? The Millennium Development Goals and Nicaragua's Fair Trade Cooperatives. *Globalizations*, 5(2), 259–74; Valkila, J. (2009). Fair Trade organic coffee production in Nicaragua: sustainable development or a poverty trap? *Ecological Economics*, 68(12), 3018–25; Ruben, R., & Fort, R. (2012). The Impact of fair trade certification for coffee farmers in Peru. *World Development*, 40(3), 570–82.

⁶⁶ Piroette, G., Pleyers, G., & Poncelet, M. (2006). Fair-trade coffee in Nicaragua and Tanzania: a comparison. *Development in Practice*, 16(5), 441–51.

⁶⁷ Schleifer, P., & Sun, Y. (2020). Reviewing the impact of sustainability certification on food security in developing countries. *Global Food Security*.

⁶⁸ Beall, Elizabeth. (2012). *Smallholders in Global Bioenergy Value Chains and Certification*. Environment and Natural Resources Management Working Paper 50. www.fao.org/docrep/015/i2597e/i2597e00.pdf.

⁶⁹ Mitiku, F., Mey, Y. de, Nyssen, J., & Maertens, M. (2017). Do private sustainability standards contribute to income growth and poverty alleviation? A comparison of different coffee certification schemes in Ethiopia. *Sustainability*, 9(246), 1–21.

⁷⁰ Ruben, R., Fort, R., & Zúñiga-Arias, G. (2009). Measuring the impact of fair trade on development. *Development in Practice*, 19(6), 777–88; Terstappen, V., Hanson, L., & McLaughlin, D. (2013). Gender, health, labor, and inequities: a review of the fair and alternative trade literature. *Agriculture and Human Values*, 30(1), 21–39.

⁷¹ Oya, C., Schaefer, F., Skalidou, D., McCosker, C., & Langer, L. (2017). Effects of certification schemes for agricultural production on socio-economic outcomes in low- and middle-income countries: a systematic review. *Campbell Systematic Reviews* (Vol. 3).

⁷² Ruben, R., Fort, R., & Zúñiga-Arias, G. (2009). Measuring the impact of fair trade on development. *Development in Practice*, 19(6), 777–88; Barham, B.L., & Weber, J.G. (2012). The economic

farmer income gains.⁷³ Mitiku et al. suggest that some certifications are likely to elicit higher prices but decrease yields, canceling out this effect, and that in some contexts gains are disproportionately routed to businesses in consumer countries.⁷⁴ Overall, meta studies and literature reviews suggest that VSS can, but are not overwhelmingly likely to, have a positive impact on livelihoods and income.

Studies focused on other aspects of labor, employment, and poverty generate similarly inconsistent findings. SCKASC find some evidence of improvement in working and living conditions;⁷⁵ Terstappen et al. find evidence of job creation;⁷⁶ and Schleifer and Sun's review points to positive—though weak and highly context-dependent—impacts on food security.⁷⁷ Gilbert et al.⁷⁸ identify several studies pointing to the limited efficacy of auditing as a tool for identifying noncompliance and incentivizing shifts in factory safety.⁷⁹ Finally, Distelhorst and Locke⁸⁰ identify several studies showing that noncompliant export factories remain in supply chains after multiple audits and corrective exercises.⁸¹

Across issue areas and methodologies, impact studies consistently find that VSS effectiveness in promoting human rights is highly context-specific. Thus, a substantial portion of the literature on VSS and human rights focuses not on *whether* VSS are effective but *the conditions under which* VSS are more likely to positively or negatively affect human rights.

sustainability of certified coffee: recent evidence from Mexico and Peru. *World Development*, 40(6), 1269–79.

Ruben, R., & Fort, R. (2012). The impact of fair trade certification for Coffee Farmers in Peru. *World Development*, 40(3), 570–82.

⁷³ Jena, P.R., Chichaibelu, B.B., Stellmacher, T., & Grote, U. (2012). The impact of coffee certification on small-scale producers' livelihoods: a case study from the Jimma Zone, Ethiopia. *Agricultural Economics* (United Kingdom), 43(4), 429–40; Kleemann, L., Abdulai, A., & Buss, M. (2014). Certification and access to export markets: adoption and return on investment of organic-certified pineapple farming in Ghana. *World Development*; Chiputwa, B., Spielman, D.J., & Qaim, M. (2015). Food standards, certification, and poverty among coffee farmers in Uganda. *World Development*, 66, 400–12.

⁷⁴ Mitiku, F., Mey, Y. de, Nyssen, J., & Maertens, M. (2017). Do private sustainability standards contribute to income growth and poverty alleviation? A comparison of different coffee certification schemes in Ethiopia. *Sustainability*, 9(246), 1–21.

⁷⁵ SCKASC (the Steering Committee of the State-of-Knowledge Assessment of Standards and Certification). (2012). *Toward sustainability: the roles and limitations of certifications*.

⁷⁶ Terstappen, V., Hanson, L., & McLaughlin, D. (2013). Gender, health, labor, and inequities: a review of the fair and alternative trade literature. *Agriculture and Human Values*, 30(1), 21–39.

⁷⁷ Schleifer, P., & Sun, Y. (2020). Reviewing the impact of sustainability certification on food security in developing countries. *Global Food Security*.

⁷⁸ Gilbert, D.U., Rasche, A., & Waddock, S. (2011). Accountability in a global economy: the emergence of international accountability standards. *Business Ethics Quarterly*.

⁷⁹ Locke, Richard, Matthew Amengual, and Akshay Mangla. (2009). Virtue out of necessity? Compliance, commitment, and the improvement of labor conditions in global supply chains. *Politics and Society*, 37(3), 319–51. <https://doi.org/10.1177/0032329209338922>; Stigzelius, I., & Mark-Herbert, C. (2009). Tailoring corporate responsibility to suppliers: managing SA8000 in Indian garment manufacturing. *Scandinavian Journal of Management*, 25(1), 46–56.

⁸⁰ Distelhorst, G., & Locke, R.M. (2018). Does compliance pay? Social standards and firm-level trade. *American Journal of Political Science*, 62(3), 695–711.

⁸¹ Locke, R. (2013). *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*. Cambridge University Press; Distelhorst, G., Locke, R.M., Pal, T., & Samel, H. (2015). Production goes global, compliance stays local: private regulation in the global electronics industry. *Regulation & Governance*, 9(3), 224–42.

4. UNDER WHAT CONDITIONS ARE VSS MORE LIKELY TO PROMOTE HUMAN RIGHTS?

Many studies find that multiple conditions are required for a VSS to be more likely to succeed. For example, Mena and Palazzo and Baumann-Pauly et al. argue that VSS success is contingent on the development of input legitimacy (the extent to which the standards are credibly justified)⁸² and output legitimacy (the extent to which the standards and processes effectively address issues). Marx points to the importance of decision-making processes (such as standards-setting), verification procedures (such as auditing), and dispute management (allowing interested parties to hold organizations to account after decisions are reached). He argues that each is necessary, none is sufficient, and when all are present they constitute a “strong institutional design” that improves the chances of VSS success.⁸³ Bartley et al. find that VSS are more likely to succeed when there are supportive linkages between local actors and global systems, rules can constrain behavior in the face of alternative opportunities, key constituencies align, and the structures of consumption and production are conducive to longer term relationships and structures of accountability.⁸⁴ Each of the following eight sub-sections examines a factor likely to impact VSS effectiveness.

4.1 Governance, Representation, and the Standards-setting Process

VSS governance structures and decision-making processes may have a significant impact on effectiveness.⁸⁵ The literature on input legitimacy highlights the many benefits of inclusion, procedural fairness, consensual orientation, and transparency.⁸⁶ By including the target beneficiary group in governance, VSS are more likely to cultivate a sense of fairness and justice,⁸⁷ prioritize the needs of beneficiaries,⁸⁸ enhance competitiveness,⁸⁹ align global perspectives

⁸² Mena, S., & Palazzo, G. (2012). Input and output legitimacy of multi-stakeholder initiatives. *Business Ethics Quarterly*, 22(3), 527–56; Baumann-Pauly, D., Nolan, J., van Heerden, A., & Samway, M. (2017). Industry-specific multi-stakeholder initiatives that govern corporate human rights standards: legitimacy assessments of the Fair Labor Association and the Global Network Initiative. *Journal of Business Ethics*, 143(4).

⁸³ Marx, A. (2013). Varieties of legitimacy: a configurational institutional design analysis of eco-labels. *Innovation*.

⁸⁴ Bartley, T., Koos, S., Samel, H., Setrini, G., & Summers, N. (2015). *Looking Behind the Label: Global Industries and the Conscientious Consumer*. Indiana University Press.

⁸⁵ Hachez, N., & Wouters, J. (2011). A glimpse at the democratic legitimacy of private standards. *Journal of International Economic Law*.

⁸⁶ Baumann-Pauly, D., Nolan, J., van Heerden, A., & Samway, M. (2017). Industry-specific multi-stakeholder initiatives that govern corporate human rights standards: legitimacy assessments of the Fair Labor Association and the Global Network Initiative. *Journal of Business Ethics*, 143(4).

⁸⁷ Bain, C. (2010). Structuring the Flexible and Feminized Labor Market: GlobalGAP Standards for agricultural labor in Chile. *Signs: Journal of Women in Culture and Society*, 35(2), 343–70.

⁸⁸ Brown, D.L. (2008). *Creating Credibility: Legitimacy and Accountability for Transnational Civil Society*. Kumarian Press; Jaffee, D., & Howard, P.H. (2010). Corporate cooptation of organic and fair trade standards. *Agriculture and Human Values*, 27(4), 387–99.

⁸⁹ Locke, R. (2013). *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*. Cambridge University Press.

with local values,⁹⁰ and, in the broadest sense, improve the democratic nature of multilayered governance.⁹¹ The individuals representing beneficiary groups in high-level governance may also benefit from capacity building, negotiating experience, and empowerment.⁹²

Despite these benefits, studies find that the majority of VSS do not aim to include workers and smallholder farmers—the intended beneficiary groups.⁹³ When they do, they are rarely given enough votes or power to alter policy outcomes.⁹⁴ Among the VSS that publicly disclose information about the composition of their primary decision-making body, 98 percent include both industry and civil society, 40 percent include government representatives, 13 percent include affected populations, and 33 percent include other representatives, such as other VSS, independent consultants, and socially responsible investors.⁹⁵ The commonly used terms “multi-stakeholder initiative” or “roundtable” are thus largely misleading.⁹⁶ As Bartley et al. point out, while it is tempting to simply attribute label proliferation to diverse perspectives on the pursuit of sustainability goals, “it is crucial to remember that these opinions are rooted in particular interests and agendas.”⁹⁷ Industry-led initiatives are much less likely than NGOs to transform private sector activity in ways that conflict with profit-oriented interests.

There are several challenges to input legitimacy. First is the question of which groups to include and in what proportion. “Civil society” is a broad constituency often without any clearly defined boundaries.⁹⁸ Stakeholders commonly disagree about which groups should be included.⁹⁹ Similarly, “producers,” “workers,” “labor organizers,” and “smallholder farmers” are diverse groups without clear leadership structures, and cannot be adequately represented by a few people or a single person.¹⁰⁰ Additionally, not all stakeholder groups are equally equipped or resourced to advocate for their constituencies—being at the table does not nec-

⁹⁰ Gilbert, U., & Rasche, A. (2007). Discourse ethics and social accountability- the ethics of SA8000. *The U.S. Constitution: A Reader*, 11, 619–28.

⁹¹ Gilbert, D.U., Rasche, A., & Waddock, S. (2011). Accountability in a global economy: the emergence of international accountability standards. *Business Ethics Quarterly*.

⁹² Cohen, M.A., Figueroa Küpçü, M., & Khanna, P. (2008). The new colonialists. *Foreign Policy*, 167(Jul–Aug), 74–9.

⁹³ Bennett, E.A. (2017). Who governs socially-oriented voluntary sustainability standards? Not the producers of certified products. *World Development*, 91, 53–69.

⁹⁴ Ibid.

⁹⁵ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

⁹⁶ Ponte, S. (2014). “Roundtabling” sustainability: lessons from the biofuel industry. *Geoforum*, 54, 261–71.

⁹⁷ Bartley, T., Koos, S., Samel, H., Setrini, G., & Summers, N. (2015). *Looking Behind the Label: Global Industries and the Conscientious Consumer*. Indiana University Press, p.216.

⁹⁸ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

⁹⁹ Brown, D.L. (2008). *Creating Credibility: Legitimacy and Accountability for Transnational Civil Society*. Kumarian Press; Brown, L.D., Ebrahim, A., & Batliwala, S. (2012). Governing international advocacy NGOs. *World Development*, 40(6), 1098–1108; Sending, Ole Jacob, and Iver B. Neumann. (2006). Governance to governmentality: analyzing NGOs, states, and power. *International Studies Quarterly*, 50(3), 651–72. <https://doi.org/10.1111/j.1468-2478.2006.00418.x>.

¹⁰⁰ Sutton, S. (2013). Fairtrade governance and producer voices: stronger or silent? *Social Enterprise Journal*, 9(1), 73–87; Conscione, M. (2014). *In Defense of Small Producers: The Story of CLAC*. Fernwood Publishing.

essarily mean having bargaining power.¹⁰¹ At worst, stakeholders with greater resources and experience, such as corporations, may co-opt less powerful stakeholders, working against their interests, crowding out alternative value systems, reifying traditional power relationships, and limiting more radical transformations of human rights in business while touting the organization's legitimacy.¹⁰²

Unfortunately, VSS that are more democratic and inclusive are likely to reach decisions more slowly, putting them at a disadvantage compared to the more streamlined VSS which are often aligned with industry interests.¹⁰³ ISEAL aims to improve governance norms through its Code of Good Practice for Setting Social and Environmental Standards which advocates for the identification of stakeholders via stakeholder mapping; the development of a strategy to proactively approach and involve the identified stakeholders; the bringing together of several major stakeholders on a more or less equal representative basis in a decision-making process; the opening up of the decision-making process to all interested parties not initially identified in the first round of the stakeholder mapping; and the deployment of consensus-based decision making in order to ensure that all interests are included. Research suggests these efforts are worthwhile: aligning with marginalized groups can improve participation and reduce motivation to launch a competing organization;¹⁰⁴ balancing stakeholder interests can help maintain CSO participation;¹⁰⁵ including non-industry groups can improve enforcement¹⁰⁶ and reduce

¹⁰¹ Blagescu, M., De, L., Casas, L., & Lloyd, R. (2005). Pathways to accountability: the GAP framework. *One World Trust*; Brown, D.L. (2008). *Creating Credibility: Legitimacy and Accountability for Transnational Civil Society*. Kumarian Press; Ponte, S. (2014). "Roundtabling" sustainability: lessons from the biofuel industry. *Geoforum*, 54, 261–71; Baumann-Pauly, D., Nolan, J., van Heerden, A., & Samway, M. (2017). Industry-specific multi-stakeholder initiatives that govern corporate human rights standards: legitimacy assessments of the Fair Labor Association and the Global Network Initiative. *Journal of Business Ethics*, 143(4); MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹⁰² Busch, L., & Bain, C. (2004). New! Improved? The transformation of the global agrifood system. *Rural Sociology*, 69(3), 321–46; O'Rourke, D. (2006). Multi-stakeholder regulation: privatizing or socializing global labor standards? *World Development*, 34(5), 899–918; Jaffee, D., & Howard, P.H. (2010). Corporate cooptation of organic and fair trade standards. *Agriculture and Human Values*, 27(4), 387–99; Jaffee, D. (2010). Fair trade standards, corporate participation, and social movement responses in the United States. *Journal of Business Ethics*, 92(2), 267–85; Cheyns, E. (2014). Making "minority voices" heard in transnational roundtables: the role of local NGOs in reintroducing justice and attachments. *Agriculture and Human Values*, 31(3), 439–53; Cheyns, E., & Riisgaard, L. (2014). Introduction to the symposium: the exercise of power through multi-stakeholder initiatives for sustainable agriculture and its inclusion and exclusion outcomes. *Agriculture and Human Values*, 31(3), 409–23; Nelson, V., & Tallontire, A. (2014). Battlefields of ideas: changing narratives and power dynamics in private standards in global agricultural value chains. *Agriculture and Human Values*, 31(3), 481–97.

¹⁰³ Ponte, S. (2014). "Roundtabling" sustainability: lessons from the biofuel industry. *Geoforum*, 54, 261–71; MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹⁰⁴ Sippl, K. (2020). Southern responses to fair trade gold: cooperation, complaint, competition, supplementation. *Ecological Economics*, 169(106377).

¹⁰⁵ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹⁰⁶ Bartley, T. (2018). *Beneath Compliance Corporate*. In *Rules without Rights: Land, Labor, and Private Authority in the Global Economy* (pp.1–351).

discrimination against small players and actors in the South,¹⁰⁷ and including rights holders can improve the chances of creating regulations aligned with their interests.¹⁰⁸

4.2 Standards' Content and Scope

A standard is a written, technical document that defines the characteristics that must be present in a product or service and the procedures to control the conformity of the product or service to these characteristics.¹⁰⁹ “Ambitious” standards aim to significantly alter the conventional course of behavior and/or outcomes.¹¹⁰ However, a substantial literature focuses on how content may be “weak” and scope “limited.” Studies show that standards may fail to address key issues; be weaker than applicable local, sectoral, or national laws; fall short of human rights standards; use ambiguous language that presents the opportunity for poor implementation; rely on resources or information that are unavailable; make key standards optional; target issues that are narrow or tangential to the root of human rights abuses; impose burdens on the target beneficiary groups; shift responsibility to less reliable actors; or apply standards to a limited aspect of business or supply chains.¹¹¹

Research shows that VSS may misrepresent the strength of their standards, creating a gap between claims and reality—a phenomenon called “decoupling.”¹¹² VSS suggest that their standards are sufficient for addressing the most important human rights abuses in the industries or supply chains in which they operate by using the terms “sustainable,” “fair,” “equitable,” or “responsible” in their name or mission, even though the best possible outcomes would fall short of those goals.¹¹³ Similarly, they may boast “decent wages,” “living wages,”

¹⁰⁷ Ponte, S. (2014). “Roundtabling” sustainability: lessons from the biofuel industry. *Geoforum*, 54, 261–71.

¹⁰⁸ Hachez, N., & Wouters, J. (2011). A glimpse at the democratic legitimacy of private standards. *Journal of International Economic Law*.

¹⁰⁹ Fair World Project, Commerce Équitable France, FairNess, Forum Fairer Handel. (2020). *International Guide to Fair Trade Labels: Edition 2020*, p.120.

¹¹⁰ Kok, A.M., de Bakker, F.G.A., & Groenewegen, P. (2019). Sustainability struggles: conflicting cultures and incompatible logics. *Business and Society*, 58(8), 1496–1532.

¹¹¹ Mares, R. (2010). *The Dynamics of Corporate Social Responsibilities*; Bennett, E.A. (2018). Voluntary Sustainability Standards: a squandered opportunity to improve workers’ wages. *Sustainable Development*, 26, 65–82; Kok, A.M., de Bakker, F.G.A., & Groenewegen, P. (2019). Sustainability struggles: conflicting cultures and incompatible logics. *Business and Society*, 58(8), 1496–1532; MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹¹² Jamali, D. (2010). The CSR of MNC subsidiaries in developing countries: global, local, substantive or diluted? *Journal of Business Ethics*, 93(SUPPL. 2), 181–200; Maclean, T.L., & Behnam, M. (2010). The dangers of decoupling: the relationship between compliance programs, legitimacy perceptions, and institutionalized misconduct. *Academy of Management Journal*, 53(6), 1499–1520; Aravind, D., & Christmann, P. (2011). Decoupling of standard implementation from certification: does quality of ISO 14001 implementation affect facilities environmental performance? *Business Ethics Quarterly*, 21, 73–102; Bromley, P., & Powell, W.W. (2012). From smoke and mirrors to walking the talk: decoupling in the contemporary world. *Academy of Management Annals*, 1–48; Bird, Y., Short, J.L., & Toffel, M.W. (2019). Coupling Labor Codes of Conduct and Supplier Labor Practices: The Role of Internal Structural Conditions. *Organization Science*, 30(4), 847–67.

¹¹³ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

or “fair minimum prices” even though the standard does not require the wage to exceed the legal minimum¹¹⁴ or sets a minimum price which may not cover the costs of production.¹¹⁵ Standards for freedom of association are also regularly decoupled or misrepresented, as VSS often allow management to organize and control worker committees and company unions, limiting workers’ right to organize, bargain, and strike.¹¹⁶ A third area in which standards are commonly weak is dispute settlement and grievance mechanisms.¹¹⁷ When auditors report non-compliances, VSS may provide opportunities for remedy or find the severity of a number of issues does not meet a threshold for withholding certification.¹¹⁸ One literature review and empirical analysis of 18 VSS concludes that most grievance mechanisms fail to meet internationally recognized criteria for effective access to remedy, are not communicated in languages or formats accessible to rights holders (if communicated at all), and lack clear timelines, processes, and transparency protocols.¹¹⁹

Research on standard ambition argues that low standards are more likely to lead to high levels of participation but generate little impact, while high standards are more likely to generate significant impact, but only few beneficiaries.¹²⁰ It also suggests that high, exclusive standards may incentivize the generation of new VSS that can broaden participation.¹²¹ Grabs shows how some initially ambitious VSS that elicit high prices for certified goods may become

¹¹⁴ Bennett, E.A. (2018). Voluntary Sustainability Standards: a squandered opportunity to improve workers’ wages. *Sustainable Development*, 26, 65–82; NCP (New Conversations Project). (2020). Social Dialogue in the 21st Century Synthesis Report – Executive Summary. Cornell University School of Industrial and Labor Relations.

¹¹⁵ Fair World Project, Commerce Équitable France, FairNess, Forum Fairer Handel. (2020). *International Guide to Fair Trade Labels: Edition 2020*.

¹¹⁶ Seidman, G.W. (2007). *Beyond the Boycott: Labor Rights, Human Rights, and Transnational Activism*. Russell Sage Foundation; Anner, M. (2012). Corporate social responsibility and freedom of association rights: the precarious quest for legitimacy and control in global supply chains. *Politics & Society*, 40(4), 609–44; Bartley, T., & Egels-Zandén, N. (2016). Beyond decoupling: unions and the leveraging of corporate social responsibility in Indonesia. *Socio-Economic Review*, 14(2), 231–55.

¹¹⁷ Marx, A. (2014). Legitimacy, institutional design, and dispute settlement: the case of eco-certification systems. *Globalizations*, 11(3), 401–16. Marx, A. (2013). Varieties of legitimacy: a configurational institutional design analysis of eco-labels. *Innovation*.

¹¹⁸ Kayser, Susan, John W. Maxwell, & Michael W. Toffel. (2016). Signaling without certification: the critical role of civil society scrutiny. Harvard Business School Working Paper 15-009, 2016. <https://doi.org/10.2139/ssrn.2480097>.

¹¹⁹ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹²⁰ Gulbrandsen, L.H. (2005). Sustainable forestry in Sweden: the effect of competition among private certification schemes. *Journal of Environment and Development*, 14(3), 338–55; Bernstein, S., & Cashore, B. (2007). Can non-state global governance be legitimate? An analytical framework. *Regulation & Governance*, 1(4), 347–71; Auld, G. (2014). *Constructing Private Governance: The Rise and Evolution of Forest, Coffee, and Fisheries Certification*. Yale University Press.

¹²¹ Smith, T.M., & Fischlein, M. (2010). Rival private governance networks: competing to define the rules of sustainability performance. *Global Environmental Change*, 20(3), 511–22; Auld, G. (2014). *Constructing Private Governance: The Rise and Evolution of Forest, Coffee, and Fisheries Certification*. Yale University Press; Sippl, K. (2020). Southern responses to fair trade gold: cooperation, complaint, competition, supplementation. *Ecological Economics*, 169(106377).

weaker if the market cannot bear a greater supply of rigorous, certified products at that price point.¹²²

4.3 Auditing

Auditing has traditionally relied upon a uniform checklist approach. Auditors visit a factory, farm, or other facility, and use a questionnaire to ensure that results are systematic and comparative. Studies find evidence of bribery, extortion, falsification of records, altering practices when auditors are present, and coaching workers to deceive auditors.¹²³ The majority of VSS do not require any unannounced audits.¹²⁴ Scholars suggest that this approach to auditing may overlook important structural issues unrelated to the checklists, provide few opportunities for target beneficiaries to voice concerns, lack relevance to unique local realities, minimize the role of power differentials between workers and managers, and fail to safeguard whistleblowers.¹²⁵ The audits may do more to ensure that managerial systems are in place (for example, statements in support of unions) than to evaluate whether or not they are being used, how, and to what end.¹²⁶

Several studies aim to identify the conditions under which audits are likely to generate valid results. Research shows that auditors are less likely to record non-compliances when they have audited the facility previously, when audit teams are less experienced or less trained, when audit teams are all male, and when audits are paid for by the entity being audited.¹²⁷ Findings also suggest that audit firms are more likely to be lenient when they are selling other services to the entity being audited, when they lack internal controls, and when they are auditing subsidiaries and branded entities (as opposed to independent facilities).¹²⁸ Other studies point

¹²² Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge University Press.

¹²³ Boiral, O. (2003). The certification of corporate conduct: issues and prospects. *International Labour Review*, 3, 318–40; Christmann, P., & Taylor, G. (2006). Firm self-regulation through international certifiable standards: determinants of symbolic versus substantive implementation. *Journal of International Business Studies*, 37, 863–78; Bartley, T. (2018). *Beneath Compliance Corporate*. In *Rules without Rights: Land, Labor, and Private Authority in the Global Economy* (pp.1–351).

¹²⁴ MSI (Multi-Stakeholder Integrity). (2020). *Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance*. Pittsfield, MA.

¹²⁵ Marx, A. (2013). Varieties of legitimacy: a configurational institutional design analysis of eco-labels. *Innovation*; Koenig-Archibugi, M., & Macdonald, K. (2017). The role of beneficiaries in transnational regulatory processes. *The ANNALS of the American Academy of Political and Social Science*, 670(1), 36–57; MSI (Multi-Stakeholder Integrity). (2020). *Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance*. Pittsfield, MA.

¹²⁶ Bartley, T. (2018). *Beneath Compliance Corporate*. In *Rules without Rights: Land, Labor, and Private Authority in the Global Economy* (pp.1–351).

¹²⁷ Berliner, D., & Prakash, A. (2015). “Bluewashing” the firm? Voluntary regulations, program design, and member compliance with the United Nations global compact. *Policy Studies Journal*, 43(1), 115–38; Marx, A., & Wouters, J. (2018). Explaining new models of global voluntary regulation: what can organisational studies contribute? *Global Policy*, 9(1); Short, J., Toffel, M., & Hugill, A. (2016). Monitoring global supply chains. *Strategic Management Journal*, 37, 1878–1897.

¹²⁸ Pierce, L., & Toffel, M.W. (2013). The role of organizational scope and governance in strengthening private monitoring. *Organization Science*, 24(5), 1558–1584.

to inadequate auditor training.¹²⁹ Human rights and labor standards may be less rigorously enforced than environmental and land standards.¹³⁰ Bartley identifies three issues that underlie many of these auditing problems: brands demanding fast, cheap audits and hoping for compliance; a high bar of proof for non-compliance that enhances the risk of plausible deniability; and auditing firms that attract business with low fees then engage in bribery and extortion. Ironically, one positive externality of audit falsification is that workers, through the experience of being “coached” to give answers that signal compliance, learn what they should have been experiencing in a certified workplace. Despite the increasing evidence about the inherent limitations of VSS approaches to monitoring, most VSS have not adopted alternative modes of verification.¹³¹

4.4 Suppliers’ Experiences

Most VSS certify farms or facilities that produce goods for global supply chains. The anticipation of economic benefits often motivates suppliers to participate.¹³² However, compliance typically requires significant investments, audit fees, and/or annual certifier fees.¹³³ Studies across contexts and VSS reveal evidence of a “sustainability-driven supplier squeeze”¹³⁴—factories and farms increase the cost of production in order to comply with standards but are not guaranteed (and often do not receive) prices or wages commensurate with those investments.¹³⁵ To mitigate the risk of not finding a buyer for certified products, many producers adopt multiple certifications which increase the costs of compliance and auditing—a phenomenon called “audit fatigue.”¹³⁶

¹²⁹ Huggill, A., Short, J.L., & Toffel, M.W. (2016). Beyond Symbolic Responses to Private Politics: Examining Labor Standards Improvement in Global Supply Chains. *Harvard Business School Working Paper 17-001 C*.

¹³⁰ Bartley, T. (2018). *Beneath Compliance Corporate*. In *Rules without Rights: Land, Labor, and Private Authority in the Global Economy* (pp.1–351).

¹³¹ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹³² Pyk, F., & Hatab, A.A. (2018). Fairtrade and sustainability: motivations for Fairtrade certification among smallholder coffee growers in Tanzania. *Sustainability*, 10(5).

¹³³ Mook, A., & Overdevest, C. (2019). Fairtrade credentialism: towards understanding certified producer organizations’ perceptions of Fairtrade as a credential. *Globalizations*, 17(1), 110–25.

¹³⁴ Ponte, S. (2019). *Business, Power and Sustainability in a World of Global Value Chains: A History of Power, Politics and Profit*. Zed Books.

¹³⁵ De Janvry, A., McIntosh, C., & Sadoulet, E. (2015). Fair trade and free entry: can a disequilibrium market serve as a development tool? *The Review of Economics and Statistics*, 97(3), 567–73; Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge University Press.

¹³⁶ Eberlein, B., Abbott, K.W., Black, J., Meidinger, E., & Wood, S. (2014). Transnational business governance interactions: conceptualization and framework for analysis. *Regulation & Governance*, 8(1), 1–21; Franssen, L., Schalk, J., & Auld, G. (2016). Work ties beget community? Assessing interactions among transnational private governance organizations in sustainable agriculture. *Global Networks*, 16(1), 45–67; Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge University Press; MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

For the reasons described above, VSS disproportionately attract more privileged suppliers, as opposed to the most vulnerable. Several studies across different contexts have noted that VSS attract suppliers who already have market access, technical support, bureaucratic infrastructure, capital for investments, cooperative organization, or economies of scale, as well as individual smallholders who are already healthful, who are integrated into supply chains, or who otherwise have most of what is required to become certified.¹³⁷ Suppliers may pay to certify their full crop or facility, but only receive a premium price for a portion of the crop or product. This can occur when there are too many certified products on the market or when a different certification comes to be more in demand.¹³⁸ For these reasons, many studies suggest that VSS are better suited to larger producers over small growers.¹³⁹ Tayleur et al. found that commodity crop certifications (excluding organic), for example, were not typically concentrated in areas most in need of poverty alleviation and have poor coverage in 31 countries classified by the World Bank as low income.¹⁴⁰

Some suppliers may respond to the pressures and costs of certification by exploiting labor in ways that are difficult for auditors to detect.¹⁴¹ Others may forgo certification and sell products on the conventional market, even if they are already in full compliance with VSS.¹⁴² For some groups, the exclusion of qualifying producers due to these types of barriers to entry diminishes VSS as a credible signal of value.¹⁴³ VSS can improve producer access to certifications by providing training, networking opportunities, micro-loans, infrastructure, technology, and increased financial incentives.¹⁴⁴

¹³⁷ Terstappen, V., Hanson, L., & McLaughlin, D. (2013). Gender, health, labor, and inequities: a review of the fair and alternative trade literature. *Agriculture and Human Values*, 30(1), 21–39; Loconto, A., & Dankers, C. (2014). *Impact of International Voluntary Standards on Smallholder Market Participation in Developing Countries*. Rome: Food and Agriculture Organization of the United Nations; Garrett, R.D., Carlson, K.M., Rueda, X., & Noojipady, P. (2016). Assessing the potential additionality of certification by the Roundtable on Responsible Soybeans and the Roundtable on Sustainable Palm Oil. *Environmental Research Letters*, 11(4); Mook, A., & Overdevest, C. (2019). Fairtrade credentialism: towards understanding certified producer organizations' perceptions of Fairtrade as a credential. *Globalizations*, 17(1), 110–25.

¹³⁸ Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge University Press; Fair World Project, Commerce Équitable France, FairNess, Forum Fairer Handel. (2020). *International Guide to Fair Trade Labels: Edition 2020*; MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹³⁹ Johannessen, S., & Wilhite, H. (2010). Who really benefits from fairtrade? An analysis of value distribution in fairtrade Coffee. *Globalizations*, 7(February 2013), 525–544.

¹⁴⁰ Tayleur, C., Balmford, A., Buchanan, G. M., Butchart, S.H.M., Corlet Walker, C., Ducharme, H., ... Phalan, B. (2018). Where are commodity crops certified, and what does it mean for conservation and poverty alleviation? *Biological Conservation*, 217, 36–46.

¹⁴¹ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹⁴² Ponte, S. (2002). The “latte revolution”? Regulation, markets and consumption in the global coffee chain. *World Development*, 30(7), 1099–1122.

¹⁴³ Kayser, S., Maxwell, J. W., & Toffel, M. W. (2016). Signaling without certification: the critical role of civil society scrutiny. *Harvard Business School Working Paper* 15-009.

¹⁴⁴ Brandi, C., Cabani, T., Hosang, C., Schirmbeck, S., Westermann, L., & Wiese, H. (2015). Sustainability standards for palm oil: challenges for smallholder certification under the RSPO. *Journal of*

4.5 Behavior of Buyers and Brands

In today's globalized economy, many buyers can change suppliers with relative ease. To promote human rights, ideally buyers would leverage this dynamic by rewarding VSS-certified factories with long-term contracts and more business. This is sometimes the case, particularly in the apparel sector.¹⁴⁵ However, this dynamic also allows buyers to pit suppliers against each other to produce goods at the lowest price. In this "race to the bottom," suppliers may aim to lower the costs of production by compromising human rights, outsourcing to unsupervised subcontractors or homeworkers, and/or engaging in audit fraud.¹⁴⁶

Some studies suggest that long-term, direct, durable, highly communicative, and mutually beneficial relationships between buyers and suppliers can improve the efficacy of VSS in promoting human rights.¹⁴⁷ Other studies show how stable, trusting relationships may set the table for persuasion, exhortation, and less credible threats of exit, arguing that brands are less likely to punish a long-term partner for non-compliance.¹⁴⁸ Unfortunately, firms rarely exercise their power to terminate a contract because of non-compliance,¹⁴⁹ weak enforcement,¹⁵⁰ or corruption.¹⁵¹

Environment and Development, 24(3), 292–314; Hidayat, N.K., Glasbergen, P., & Offermans, A. (2015). Sustainability certification and palm oil smallholders' livelihood: a comparison between scheme smallholders and independent smallholders in Indonesia. *International Food and Agribusiness Management Review*, 18(3); Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge: Cambridge University Press.

¹⁴⁵ Distelhorst, G., & Locke, R.M. (2018). Does compliance pay? Social standards and firm-level trade. *American Journal of Political Science*, 62(3), 695–711.

¹⁴⁶ Locke, R. (2013). *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*. Cambridge, MA: Cambridge University Press; NCP (New Conversations Project). (2020). Social Dialogue in the 21st Century Synthesis Report – Executive Summary. Cornell University School of Industrial and Labor Relations.

¹⁴⁷ Locke, R. (2013). *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*. Cambridge University Press; Rueda, X., Garrett, R.D., & Lambin, E.F. (2017). Corporate investments in supply chain sustainability: selecting instruments in the agri-food industry. *Journal of Cleaner Production*, 142, 2480–2492; Bartley, T. (2018). *Beneath Compliance Corporate*. In *Rules without Rights: Land, Labor, and Private Authority in the Global Economy* (pp. 1–351).

¹⁴⁸ Amengual, M., Distelhorst, G., & Tobin, D. (2019). Global purchasing as labor regulation: the missing middle. *Industrial & Labor Relations Review*.

¹⁴⁹ Starmanns, M. (2017). *Purchasing Practices and Low Wages in Global Supply Chains: Empirical Cases from the Garment Industry*. International Labour Office, Inclusive Labour Markets, Labour Relations and Working Conditions Branch; Bird, Y., Short, J.L., & Toffel, M.W. (2019). Coupling labor codes of conduct and supplier labor practices: the role of internal structural conditions. *Organization Science*, 30(4), 847–67.

¹⁵⁰ Potoski, M., & Prakash, A. (2005). Green clubs and voluntary governance: ISO 14001 and firms' regulatory compliance. *American Journal of Political Science*, 49(2), 235–48; Christmann, P., & Taylor, G. (2006). Firm self-regulation through international certifiable standards: determinants of symbolic versus substantive implementation. *Journal of International Business Studies*, 37, 863–78; Aravind, D., & Christmann, P. (2011). Decoupling of standard implementation from certification: does quality of ISO 14001 implementation affect facilities environmental performance? *Business Ethics Quarterly*, 21, 73–102.

¹⁵¹ Montiel, I., Husted, B.W., & Christmann, P. (2012). Using private management standard certification to reduce information asymmetries in corrupt environments. *Strategic Management Journal*, 33, 1103–13.

Whether buyers engage suppliers erratically or with long-term contracts, “responsible purchasing practices” can influence human rights outcomes. Suppliers are more likely to comply with VSS when they have sufficient lead times, stable order volumes, and significant profit margins.¹⁵² They may also offer frequent low-coercion enforcement measures (such as persuasion and problem-solving) and occasional high-coercion measures (such as terminating orders from poor performers). Although retailers and brands may charge consumers higher prices for VSS-certified products, they often do not pass profits on to the suppliers who incurred increased costs to obtain them. This value capture is referred to as “green accumulation.”¹⁵³ Although responsible purchasing practices—particularly those of large brands and retailers, or “lead firms”—play an important role in improving human rights in global business,¹⁵⁴ they are not common and have thus been dubbed “the “missing middle” in incentives for labor compliance.¹⁵⁵

Of course, not all buyers aim to leverage VSS in the effort to improve human rights. Some firms engage VSS for the purpose of abdicating responsibility, shifting accountability, appeasing activists, and mitigating risk of reputational harm for workplace conditions that are dangerous, illegal, or otherwise problematic.¹⁵⁶ Furthermore, many buyers limit due diligence to first tier suppliers and do not require those first tier firms to subcontract with and/or procure from other VSS-certified entities.¹⁵⁷ This raises questions about which individuals and communities transnational corporations have the responsibility to respect and protect.¹⁵⁸

4.6 Consumer Discretion and Demand

Consumers’ demand for ethical goods is one of the driving forces in brand adoption of VSS and other public-facing signals of commitment to human rights.¹⁵⁹ However, consumer

¹⁵² Locke, R. (2013). *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*. Cambridge University Press; MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹⁵³ Ponte, S. (2019). *Business, Power and Sustainability in a World of Global Value Chains: A History of Power, Politics and Profit*. Zed Books; Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge: Cambridge University Press.

¹⁵⁴ Bartley, T., Koos, S., Samel, H., Setrini, G., & Summers, N. (2015). *Looking Behind the Label: Global Industries and the Conscientious Consumer*. Indiana University Press; Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge University Press.

¹⁵⁵ Amengual, M., Distelhorst, G., & Tobin, D. (2019). Global purchasing as labor regulation: the missing middle. *Industrial & Labor Relations Review*.

¹⁵⁶ Short, J., Toffel, M., & Hugill, A. (2016). Monitoring global supply chains. *Strategic Management Journal*, 37, 1878–97; MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹⁵⁷ Bartley, T., Koos, S., Samel, H., Setrini, G., & Summers, N. (2015). *Looking Behind the Label: Global Industries and the Conscientious Consumer*. Indiana University Press.

¹⁵⁸ Mares, R. (2010). *The Dynamics of Corporate Social Responsibilities*.

¹⁵⁹ Bartley, T. (2007). Institutional emergence in an era of globalization: the rise of transnational private regulation of labor and environmental conditions. *American Journal of Sociology*, 113(2), 297–351; Seidman, G.W. (2007). *Beyond the Boycott: Labor Rights, Human Rights, and Transnational*

demand for ethical goods has not kept pace with the supply of VSS-certified products. Low demand can depress the prices received by suppliers and/or diminish the portion of their goods sold under fair trade terms or with certificates of ethical verification.¹⁶⁰

Consumer demand for ethical products is limited by several factors.¹⁶¹ First, not all demographics are equally capable of or interested in shopping and paying for ethical products.¹⁶² Second, consumer spending reflects multiple values which may compete with human rights, including personal health benefits, convenience, and the environment.¹⁶³ Third, consumers are more likely to “ earmark ” some types of purchases (such as food) rather than others (such as electronics) as appropriate sites of consumer activism.¹⁶⁴ Fourth, consumers may be unable to adjudicate between rigorous, credible VSS and weak, dubious VSS, a problem exacerbated by label proliferation, lack of transparency, and media exposés that cast doubt on ethically oriented products.¹⁶⁵ Increasing demand is not a panacea, however. Shifts in individual consumer behavior may not necessarily aggregate to the extent required to impact buyers’ decision

Activism. Russell Sage Foundation; Potoski, M., & Prakash, A. (2009). *Voluntary Programs: A Club Theory Perspective*. The MIT Press; Schuler, D.A., & Christmann, P. (2011). The effectiveness of market-based social governance schemes: the case of fair trade coffee. *Business Ethics Quarterly*, 21(1), 133–56; Berliner, D., & Prakash, A. (2012). From norms to programs: the United Nations global compact and global governance. *Regulation and Governance*, 6(2), 149–66; Auld, G. (2014). *Constructing Private Governance: The Rise and Evolution of Forest, Coffee, and Fisheries Certification*. Yale University Press; Rueda, X., Garrett, R.D., & Lambin, E.F. (2017). Corporate investments in supply chain sustainability: selecting instruments in the agri-food industry. *Journal of Cleaner Production*, 142, 2480–92; Boström, M., Micheletti, M., & Oosterveer, P. (2019). Studying political consumerism. *In The Oxford Handbook of Political Consumerism* (pp.1–25).

¹⁶⁰ Valkila, J., & Nygren, A. (2010). Impacts of fair trade certification on coffee farmers, cooperatives, and laborers in Nicaragua. *Agriculture and Human Values*, 27, 321–33; Potts, J., Lynch, M., Wilkings, A., Huppe, G., Cunningham, M., & Voora, V. (2014). The State of Sustainability Initiatives Review 2014: Standards and the Green Economy. *International Institute for Sustainable Development (IISD) and the International Institute for Environment and Development (IIED)*; Pyk, F., & Hatab, A.A. (2018). Fairtrade and sustainability: motivations for Fairtrade certification among smallholder coffee growers in Tanzania. *Sustainability*, 10(5); Mook, A., & Overdeest, C. (2019). Fairtrade credentialism: towards understanding certified producer organizations’ perceptions of Fairtrade as a credential. *Globalizations*, 17(1), 110–25.

¹⁶¹ Bartley, T., Koos, S., Samel, H., Setrini, G., & Summers, N. (2015). *Looking Behind the Label: Global Industries and the Conscientious Consumer*. Indiana University Press.

¹⁶² Brown, K. (2013). *Buying into Fair Trade: Culture, Morality and Consumption*. New York University Press.

¹⁶³ Ibid; Guthman, J., & Brown, S. (2016). I will never eat another strawberry again: the biopolitics of consumer-citizenship in the fight against methyl iodide in California. *Agriculture and Human Values*, 33(3), 575–85.

¹⁶⁴ Zelizer, V.A. (1997). *The Social Meaning of Money: Pin Money, Paychecks, Poor Relief, and Other Currencies*. Princeton University Press; Wheale, P., & Hinton, D. (2007). Ethical consumers in search of markets. *Business Strategy and the Environment*, 16(4), 302–15; Brown, K. (2013). *Buying into Fair Trade: Culture, Morality and Consumption*. New York University Press; Bennett, E.A. (2017). Extending ethical consumerism theory to semi-legal sectors: insights from recreational cannabis. *Agriculture and Human Values*, 1–23.

¹⁶⁵ Harbaugh, R., Maxwell, J.W., & Roussillon, B. (2011). Label confusion: the Groucho effect of uncertain standards. *Management Science*, 57(9), 1512–27; Glasbergen, P. (2018). Smallholders do not eat certificates. *Ecological Economics*, 147, 243–52; Fair World Project, Commerce Équitable France, FairNess, Forum Fairer Handel. (2020). *International Guide to Fair Trade Labels: Edition 2020*.

making.¹⁶⁶ Dramatic increases in demand may also destabilize the market for certified goods; increase the threat of new, less committed VSS entrants; or lead existing VSS to compete for market share by becoming more narrowly focused.¹⁶⁷

4.7 Supplier Country Conditions

A country's regime type, national regulations, and public policies can affect VSS capacity to promote human rights. Based on research in China and Indonesia, Bartley suggests that although certification uptake may be widespread under authoritarian regimes, auditing in this context may be less credible, as auditees are accustomed to falsification in the face of surveillance and auditors routinely accept weak assurances.¹⁶⁸ Democratic countries, on the other hand, may have lower certification rates because strong civil society organizations may provide more oversight, making auditing more costly, time consuming, and contentious. In contexts of widespread government corruption, VSS may face more distrust and scrutiny and hold less credibility or value, resulting in diminished rates of certification.¹⁶⁹

Regardless of regime type, VSS are more effective when governments provide the basic requirements for doing business. These include the rule of law, sanctioning of regulation violators, clear contract and property law, land use planning, economic data, redistribution policies that address economic marginalization, and national standards that are harmonized with international labor laws and human rights conventions.¹⁷⁰ Perhaps unsurprisingly, studies suggest that VSS are less effective—especially with regard to collective rights and freedom of association—in labor repressive regimes. Unfortunately, many global supply chains, especially in apparel, now locate production in such areas.¹⁷¹ Host countries can also support

¹⁶⁶ Willis, M.M., & Schor, J.B. (2012). Does changing a light bulb lead to changing the world? Political action and the conscious consumer. *The Annals of the American Academy of Political and Social Science*, 644(1), 160–90.

¹⁶⁷ Auld, G. (2014). *Constructing Private Governance: The Rise and Evolution of Forest, Coffee, and Fisheries Certification*. Yale University Press.

¹⁶⁸ Bartley, T. (2018). *Beneath Compliance Corporate*. In *Rules without Rights: Land, Labor, and Private Authority in the Global Economy* (pp.1–351).

¹⁶⁹ Montiel, I., Husted, B.W., & Christmann, P. (2012). Using private management standard certification to reduce information asymmetries in corrupt environments. *Strategic Management Journal*, 33, 1103–13.

¹⁷⁰ Loconto, A., & Dankers, C. (2014). *Impact of International Voluntary Standards on Smallholder Market Participation in Developing Countries*. Rome: Food and Agriculture Organization of the United Nations; Lambin, E. F., Meyfroidt, P., Rueda, X., Blackman, A., Börner, J., Cerutti, P.O., ... Wunder, S. (2014). Effectiveness and synergies of policy instruments for land use governance in tropical regions. *Global Environmental Change*, 28(1), 129–40; Lambin, E.F., Gibbs, H.K., Heilmayr, R., Carlson, K.M., Fleck, L.C., Garrett, R.D., ... Walker, N.F. (2018). The role of supply-chain initiatives in reducing deforestation. *Nature Climate Change*.

¹⁷¹ Amengual, M. (2010). Complementary labor regulation: the uncoordinated combination of state and private regulators in the Dominican Republic. *World Development*, 38(3), 405–14; Anner, M. (2017). Monitoring workers' rights: the limits of voluntary social compliance initiatives in labor repressive regimes. *Global Policy*, 8(3), 56–65.

consumer demand and market recognition of certifications by including them in public procurement policies¹⁷² or recommending them as instruments of due diligence.¹⁷³

4.8 Relationships among Relevant Actors

Some studies argue that VSS effectiveness is impacted by the dynamics between VSS and external constituencies.¹⁷⁴ Berliner et al. show how workers, governments, businesses, and consumers each act according to their own belief system and incentive structures, and that human rights outcomes depend on alignments among multiple powerful actors.¹⁷⁵ They illustrate this argument by showing how VSS are more likely to be influenced by global social movements when movement activists align their naming and shaming campaigns with workers' unions demands, government regulatory priorities, and brands' reputation management strategies. Other scholars point to the ways in which industry structure, relationships among VSS organizations, and public-private relations can create or constrain VSS efficacy.¹⁷⁶

5. WHAT ROLE CAN AND SHOULD VSS PLAY IN PROMOTING HUMAN RIGHTS?

Given the mixed impact of VSS on human rights and the complex constellation of factors required to improve those outcomes, three debates have emerged around the current and desired role of VSS in business governance. The first asks how VSS can impact the political economy of international business; the second examines the functional role of VSS within the broader system of private sector governance; the third interrogates alternative ways forward. This section describes perspectives on each side of these debates, though most scholars' views are more nuanced and less polarized than presented in this overview.

¹⁷² Loconto, A., & Dankers, C. (2014). *Impact of International Voluntary Standards on Smallholder Market Participation in Developing Countries*. Rome: Food and Agriculture Organization of the United Nations; also see Williams-Elegbe, this volume.

¹⁷³ Mares, R. (2010). *The Dynamics of Corporate Social Responsibilities*; see McCorquodale, this volume.

¹⁷⁴ Bartley, T., Koos, S., Samel, H., Setrini, G., & Summers, N. (2015). *Looking Behind the Label: Global Industries and the Conscientious Consumer*. Indiana University Press; Franssen, L., Schalk, J., & Auld, G. (2016). Work ties beget community? Assessing interactions among transnational private governance organizations in sustainable agriculture. *Global Networks*, 16(1), 45–67; Bird, Y., Short, J.L., & Toffel, M.W. (2019). Coupling labor codes of conduct and supplier labor practices: the role of internal structural conditions. *Organization Science*, 30(4), 847–67.

¹⁷⁵ Berliner, D., Greenleaf, A.R., Lake, M., Levi, M., & Noveck, J. (2016). *Labor Standards in International Supply Chains: Aligning Rights and Incentives*. Edward Elgar.

¹⁷⁶ Seidman, G.W. (2007). *Beyond the Boycott: Labor Rights, Human Rights, and Transnational Activism*. Russell Sage Foundation; Potoski, M., & Prakash, A. (2009). *Voluntary Programs: A Club Theory Perspective*. The MIT Press; Berliner, D., & Prakash, A. (2012). From norms to programs: the United Nations global compact and global governance. *Regulation and Governance*, 6(2), 149–66.

5.1 Democratizing Decision-making or Catalyzing Corporate Interests?

VSS create and increase space for non-state actors to participate in global economic governance, contributing to a multilayered “web” of global economic governance.¹⁷⁷ Which actors populate those spaces, for whom do these actors advocate, and how does the resulting constellation of power compare to that of the public framework composed of nation-states, inter-governmental organizations, and international law? One perspective is that VSS enhance the voices of a more representative range of stakeholders than the nation-state system by bringing civil society movements, grassroots organizations, and traditionally marginalized forces to the fore. They do this by supporting public deliberation,¹⁷⁸ privileging non-dominant sources of knowledge,¹⁷⁹ including civil society,¹⁸⁰ highlighting the experiences of marginalized groups, and advocating for the interests of the most vulnerable masses. In this way of thinking, VSS can shift global economic governments in directions that serve and empower the masses, challenge traditional power dynamics, distribute wealth more equitably, and offer greater human rights protections.

The alternative perspective is that the spaces created by VSS are largely populated by corporations, industry associations, and other traditionally elite groups. In this perspective, VSS do not relieve power asymmetries within and among states but instead reify and exacerbate them. Advocates of this perspective note that most VSS are led by NGOs and private sector entities from the Global North, which can exclude the perspectives of rights holders and entrench neocolonial dynamics.¹⁸¹ VSS are also more likely to be supported by consuming-country governments than supplier countries, where most of the intended beneficiaries exist.¹⁸² In this perspective, VSS have more in common with corporate lobbying, campaign contributions, and union-busting¹⁸³ than grassroots activism, and the rules they create have more in common with

¹⁷⁷ Bernstein, S., & Cashore, B. (2007). Can non-state global governance be legitimate? An analytical framework. *Regulation & Governance*, 1(4), 347–71; Locke, R. (2013). *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*. Cambridge University Press; Ruggie, J.G. (2013). *Just Business: Multinational Corporations and Human Rights*. WW Norton & Company.

¹⁷⁸ Mena, S., & Palazzo, G. (2012). Input and output legitimacy of multi-stakeholder initiatives. *Business Ethics Quarterly*, 22(3), 527–56.

¹⁷⁹ Börzel, T.A., & Risse, T. (2016). Dysfunctional state institutions, trust, and governance in areas of limited statehood. *Regulation and Governance*, 10, 149–60.

¹⁸⁰ Bartley, T. (2010). Certification as a mode of social regulation. *Jerusalem Papers in Regulation & Governance*.

¹⁸¹ Schleifer, P. (2013). Orchestrating sustainability: the case of European Union biofuel governance. *Regulation and Governance*, 7(4), 533–46.

¹⁸² Wijaya, A., & Glasbergen, P. (2016). Toward a new scenario in agricultural sustainability certification? The response of the Indonesian national government to private certification. *Journal of Environment and Development*, 25(2), 219–246.

¹⁸³ Anner, M. (2017). Monitoring workers' rights: the limits of voluntary social compliance initiatives in labor repressive regimes. *Global Policy*, 8(3), 56–65; Bird, Y., Short, J.L., & Toffel, M. W. (2019). Coupling labor codes of conduct and supplier labor practices: the role of internal structural conditions. *Organization Science*, 30(4), 847–67.

loopholes than regulations.¹⁸⁴ For this reason, a number of CSOs have withdrawn from individual VSS over concerns about inaction, ineffectiveness, and the resources they consume.¹⁸⁵

5.2 Closing Compliance Gaps or Rolling Out Regulation?

Whether driven by rights holders or the business elite, what functional role do VSS play in regulating the private sector? Scholars have developed several frameworks for examining how VSS and other forms of non-governmental and/or voluntary regulations interact with the state-based legal system.¹⁸⁶ Lambin and Thorlakson (2018), for example, argue that public–private regulatory interactions can be categorized as: (1) collaborative, complementary, coordinated, synergistic, or symbiotic; (2) substitution, superseding, or cooptation; (3) competition, antagonism, or chaos, and that interactions may shift over time and place. Despite this nuance, an important debate has emerged: Do VSS, overall, layer onto public regulation, closing coverage or compliance gaps and enhancing the efficacy of the legal system, or do they alter the trajectory of public governance?

In the first perspective, VSS supplement, complement, or complete public regulation by addressing aspects of governance that are challenging—if not impossible—for the state-based system.¹⁸⁷ VSS may close regulatory gaps where the direct applicability of international law to non-state actors remains limited¹⁸⁸ or where international law is not easily translated to fit local contexts.¹⁸⁹ In particular, VSS can provide monitoring, evaluating, and reporting in places where public law enforcement is weak.¹⁹⁰ They may also support corporations to shift their engagement with or evasion of legal standards by creating clear benchmarks, explicit standards, and common language around rights-based governance.¹⁹¹ Finally, VSS and the

¹⁸⁴ Bartley, T., Koos, S., Samel, H., Setrini, G., & Summers, N. (2015). *Looking Behind the Label: Global Industries and the Conscientious Consumer*. Indiana University Press.

¹⁸⁵ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹⁸⁶ Mares, R. (2010). *The Dynamics of Corporate Social Responsibilities*; see Andreas Rasche's chapter in this volume.

¹⁸⁷ Gilbert, D.U., Rasche, A., & Waddock, S. (2011). Accountability in a global economy: the emergence of international accountability standards. *Business Ethics Quarterly*; MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹⁸⁸ Kobrin, S.J. (2009). Private political authority and public responsibility: transnational politics, transnational firms, and human rights. *Business Ethics Quarterly*, 19(3), 349–74.

¹⁸⁹ Marx, A., & Wouters, J. (2018). Explaining new models of global voluntary regulation: what can organisational studies contribute? *Global Policy*, 9(1).

¹⁹⁰ Amengual, M. (2010). Complementary labor regulation: the uncoordinated combination of state and private regulators in the Dominican Republic. *World Development*, 38(3), 405–14; Marx, A., Brando, N., & Lein, B. (2017). Strengthening labour rights provisions in bilateral trade agreements: making the case for voluntary sustainability standards. *Global Policy*, 8(3), 78–88; Nolan, J. (2017). Human rights and global corporate supply chains: is effective supply chain accountability possible? In S. Deva & D. Bilchitz (eds), *Building a Treaty on Business and Human Rights: Context and Contours* (pp.238–65). Cambridge University Press.

¹⁹¹ Mares, R. (2010). *The Dynamics of Corporate Social Responsibilities*.

resources they provide may help corporate social responsibility teams within large firms to advocate for greater resources and more ambitious agendas.¹⁹²

An alternative view is that VSS shape legal regimes by prompting law-making, influencing the language and specificity of regulations, and altering approaches to enforcement.¹⁹³ By setting rules and affecting the behavior of relevant members of society, VSS can be considered “governing entities.”¹⁹⁴ VSS may govern by developing policies that prepare the public and business actors for more stringent regulations.¹⁹⁵ They can also develop, test, and model new ways of doing business.¹⁹⁶ Finally, they can serve as templates for new, government-initiated certification programs. For example, in Ecuador several provincial governments have drawn on the VSS model to create certifications for smallholder farmers that are free and reflect local realities.¹⁹⁷

5.3 Replace or Reform?

Given the debates about *who* governs VSS and *how* VSS influence public regulation, it is likely unsurprising that the way forward is also contested. One set of arguments focuses on the shortcomings of VSS and suggests they be replaced with approaches that are more likely to promote human rights, close governance gaps, hold corporations accountable for abuse, and deliver remedy.¹⁹⁸ In this view, both the credibility and the influence of VSS have passed their peak and are beginning to wane as social movement groups and multinational corporations alike express frustration about their limited effectiveness and push for stronger public regulations.¹⁹⁹ VSS should be recognized for and limited to what they do well—facilitating experimentation, relationship-building, and learning²⁰⁰—and replaced with alternative models of production that challenge the corporate form and place the target beneficiaries—rights holders—at the center of business regulation.

¹⁹² Kok, A.M., de Bakker, F.G.A., & Groenewegen, P. (2019). Sustainability struggles: conflicting cultures and incompatible logics. *Business and Society*, 58(8), 1496–1532.

¹⁹³ Mares, R. (2010). *The Dynamics of Corporate Social Responsibilities*.

¹⁹⁴ Hachez, N., & Wouters, J. (2011). A glimpse at the democratic legitimacy of private standards. *Journal of International Economic Law*.

¹⁹⁵ de Boer, J. (2003). Sustainability labelling schemes: the logic of their claims and their functions for stakeholders. *Business Strategy and the Environment*, 12(4), 254–64.

¹⁹⁶ Fair World Project, Commerce Équitable France, FairNess, Forum Fairer Handel. (2020). *International Guide to Fair Trade Labels: Edition 2020*.

¹⁹⁷ Clark, Patrick, & Martínez, Luciano. (2016). Local alternatives to private agricultural certification in Ecuador: broadening access to “new markets”? *Journal of Rural Studies* 45, 292–302. <https://doi.org/10.1016/j.jrurstud.2016.01.014>.

¹⁹⁸ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

¹⁹⁹ Baumann-Pauly, D., Nolan, J., van Heerden, A., & Samway, M. (2017). Industry-specific multi-stakeholder initiatives that govern corporate human rights standards: legitimacy assessments of the Fair Labor Association and the Global Network Initiative. *Journal of Business Ethics*, 143(4); Fair World Project, Commerce Équitable France, FairNess, Forum Fairer Handel. (2020). *International Guide to Fair Trade Labels: Edition 2020*.

²⁰⁰ MSI (Multi-Stakeholder Integrity). (2020). Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance. Pittsfield, MA.

The suggested alternative models include democratically managed cooperatives, community-based extraction operations, and factories organized by independent labor unions.²⁰¹ Over the past decade, the rate of emergence of worker-driven models has increased, and several prominent initiatives have been organized within the Worker Driven Social Responsibility (WSR) network, which includes the Accord on Fire and Building Safety in Bangladesh, the Milk with Dignity Program, and Fair Food.²⁰² The WSR initiatives are designed by and for workers. Corporations sign legally binding documents committing to source exclusively from suppliers that follow legally enforceable standards. Another alternative is social dialogue—negotiation, consultation, and information exchange aimed at building consensus and supporting democratic involvement among stakeholders.²⁰³ Some scholars point to deeper sustainability transformations, such as internalizing currently externalized costs of labor and reducing overall consumption.²⁰⁴

A second perspective is that VSS are increasingly in demand and should be reformed to leverage their potential. This argument points to the growing number of ways in which VSS are incorporated into legal “due diligence” requirements. The concept of “due diligence” has traditionally referred to measures to safeguard corporate interests against various sources of risk. However, since 2008, when John Ruggie, the UN Special Representative of the Secretary General (SRSG) on the issue of human rights and transnational corporations, launched the “Protect, Respect and Remedy” framework, it has come to refer to corporate compliance with social expectations to respect the human rights of those affected by corporate activity.²⁰⁵ In the UK, for example, the Modern Slavery Act requires businesses to issue an annual statement describing what actions they have taken, if any, to ensure there is no modern slavery in their business or supply chains.²⁰⁶ In public procurement, VSS may play a more substantive role in the near future, as civil society organizations, media, and national human rights institutions raise concerns about the linkages between government spending and human rights abuse.²⁰⁷

²⁰¹ Bartley, T., Koos, S., Samel, H., Setrini, G., & Summers, N. (2015). *Looking Behind the Label: Global Industries and the Conscientious Consumer*. Bloomington, IN: Indiana University Press.

²⁰² Bartley, T. (2018). *Beneath Compliance Corporate*. In *Rules without Rights: Land, Labor, and Private Authority in the Global Economy* (pp.1–351); Blasi, Jeremy, & Bair, Jennifer. (2019). *An Analysis of Multiparty Bargaining Models for Global Supply Chains*. Conditions of Work and Employment Series No.105. ILO: Geneva.

²⁰³ NCP (New Conversations Project). (2020). *Social Dialogue in the 21st Century Synthesis Report – Executive Summary*. Cornell University School of Industrial and Labor Relations.

²⁰⁴ Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge University Press.

²⁰⁵ Martin-Ortega, O. (2014). Human rights due diligence for corporations: from voluntary standards to hard law at last? *Netherlands Quarterly of Human Rights*, 32, 49–50; see McCorquodale, this volume.

²⁰⁶ Martin-Ortega, O. (2018). Public procurement as a tool for the protection and promotion of human rights: a study of collaboration, due diligence and leverage in the electronics industry. *Business and Human Rights Journal*.

²⁰⁷ Loconto, A., & Dankers, C. (2014). *Impact of International Voluntary Standards on Smallholder Market Participation in Developing Countries*. Rome: Food and Agriculture Organization of the United Nations; Fair World Project, Commerce Équitable France, FairNess, Forum Fairer Handel. (2020). *International Guide to Fair Trade Labels: Edition 2020*; Methven O’Brien, Claire, & Martin-Ortega, O. (2018). The role of the state as buyer under UN Guiding Principle 6. *University of Groningen Faculty of Law Research Paper Series No. 14/2018*. <https://doi.org/10.2139/ssrn.3170285>; see Williams-Elegbe, this volume.

There is also a discussion about whether or not it may be feasible for VSS to serve as a condition for preferential tariff rates in bilateral trade agreements.²⁰⁸

Recommendations for reform include best practices related to each of the themes examined in the previous section. These include: bringing rights bearers into governance, incorporating local experiential knowledge and deepening participation;²⁰⁹ improving transparency and rigor of standards, especially around wages, pricing, and worker organization;²¹⁰ improved approaches to auditing and auditor training;²¹¹ clear standards and incentives for responsible purchasing and trade relationships;²¹² and rewarding countries with strong laws and rigorous enforcement.²¹³

6. CONCLUSIONS AND FUTURE RESEARCH

Research suggests that in some contexts, voluntary standards, certifications, and labels can have some positive impact on human rights. However, it is clear that VSS are insufficient for improving incomes, livelihood stability, food security, poverty rates, or employment, and are unable to limit child labor, forced labor, human trafficking, sexual discrimination, or union suppression. Effectiveness appears to be highly idiosyncratic, context-specific, and contingent on numerous highly dynamic variables. It is unclear how VSS change the power dynamics related to human rights, and their interactions with public governance vary.

Given the number and scope of unanswered questions, this is a field ripe for research. In particular, studies should focus on identifying the conditions under which reforms to auditing may make enforcement more effective, understanding how state regulators adjudicate among similar VSS when including them in due diligence policies, and learning about the barriers to more worker-centric replacements, such as democratically organized cooperatives. The COVID-19 pandemic also presents an opportunity to examine the degree to which certifications may be effective in addressing employment stability in the context of economic recession or supply chain disruption.

²⁰⁸ Marx, A., Brando, N., & Lein, B. (2017). Strengthening labour rights provisions in bilateral trade agreements: making the case for voluntary sustainability standards. *Global Policy*, 8(3), 78–88; Marx, A. (2018). Integrating voluntary sustainability standards in trade policy: the case of the European Union's GSP scheme. *Sustainability*, 10(4364), 1–22.

²⁰⁹ Keahey, J. (2016). Whose knowledge counts? Developing fair trade skills in South Africa. *Globalizations*, 7731(January), 1–16; Mook, A., & Overdevest, C. (2019). Fairtrade credentialism: towards understanding certified producer organizations' perceptions of Fairtrade as a credential. *Globalizations*, 17(1), 110–25.

²¹⁰ Bennett, E. A. (2018). Voluntary sustainability standards: a squandered opportunity to improve workers' wages. *Sustainable Development*, 26, 65–82; Grabs, J. (2020). *Selling Sustainability Short? The Private Governance of Labor and the Environment in the Coffee Sector*. Cambridge University Press.

²¹¹ Paiement, P. (2018). Jurisgenerative role of auditors in transnational labor governance. *Regulation & Governance*, 13, 280–98.

²¹² See betterbuying.org.

²¹³ Bartley, T. (2018). *Beneath Compliance Corporate*. In *Rules without Rights: Land, Labor, and Private Authority in the Global Economy* (pp.1–351).