

## Ecolabelling

# Label gabble

**Fisheries' organizations in developing nations have stake in the formulation of ecolabels for fish and fishery products**

Over the last few decades we have witnessed increasing concern with environmental issues, particularly in the industrialized world. The 'state' of the world has become an engaging issue for people in general. The focus is not only on issues of pollution and climate change, but also on the utilization of natural resources. One of the means by which this concern can be turned into action is through labelling schemes that provide the consumer with information on the environmental properties of a certain product. The growing concern over health and food safety has also helped raise interest in food labelling schemes—consumers are keen to know where products originate and how they are produced.

Increased competition in the retail sector is another factor fuelling the interest in ecolabelling. Labelled goods can provide a competitive advantage in the market place and may therefore help companies survive in a tough market. Ecolabelling might thus be a welcome device for players in the retail sector. Ecolabelling can also hold the potential to open up opportunities for traditional, specialized products which might be sold at premium prices in certain market segments.

The globalization of trade fisheries products makes nations actors in the increasingly environmentally-conscious European and American markets. This, in turn, makes the environment an issue of concern to fisheries managers fisheries sector in general, even in developing nations.

The history of ecolabelling in the fisheries sector is short and actual experiences of ecolabelling are limited, with the 'dolphin-safe' label on canned tuna

probably providing the best-known example, along with the more recent 'turtle-safe' label put on shrimp and shrimp products. Both of these are single-issue labels that guarantee consumers a reduction of the by-catch of dolphins and turtles respectively. There are also ongoing attempts to extend organic labelling schemes to farmed species, though progress in this area has been slow.

Another type of initiative to ecolabel fish and fish products was recently taken by the joint efforts of Unilever and the World Wide Fund for Nature (WWF) through establishing the Marine Stewardship Council (MSC). The process of establishing the MSC has been long and, at times, a challenging process that went beyond the mere establishment of a new organization. The MSC suggests principles and criteria for the promotion of a more sustainable fishery.

The whole idea of ecolabelling is based on the principle of giving the consumer an opportunity to make environmentally sound decisions based on a 'green' label which will provide the consumer with all the necessary information. The buying power of consumers can be turned into a tool for the better management of fish resources by stressing the need for sustainable utilization by those dependent on fisheries.

**Ecolabel standards**

Those responsible for management will have to meet the demands of the ecolabel to secure market shares. If this mechanism is to work for the more sustainable management of fish resources, the principles and criteria must de facto represent a standard which will improve the management regime. Otherwise, the scheme will not contribute to better

management, but just add to the *cost* of the product

**T**he experience with ecolabelling initiatives within non-fisheries sectors have met with mixed success. The certification and labelling of tropical timber products does, in principle, support improved forest management practices but it has been claimed that improvement in the management of forests is minimal. Although the improvement in management standards is not necessary for the establishment of a certification scheme, it will be necessary for the continued credibility of the scheme with consumers.

In this case, the consumers are the large retail chains. Increased competition in the retail market is one factor which provides the consumer with greater choice but this consumer power is conditional. Consumers can do very little unless they are given access to environmentally friendly products. This means that they can do little if the large retail chains do not stock the products. This makes the purchase directors of large retail chains important allies of the MSC and other ecolabelling schemes.

Ecolabelling should be of interest to both the private sector and governments, and both parties could play the role of initiators of such schemes. Viewed as a

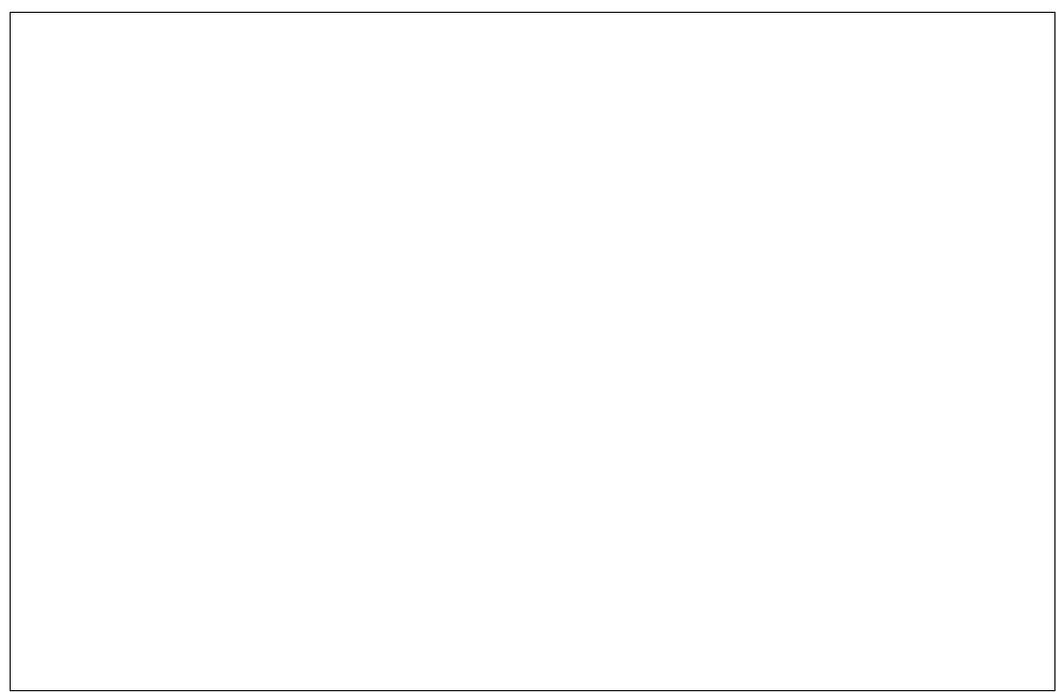
marketing tool, ecolabelling will naturally seem to be a task for a private initiative. But ecolabelling in the fisheries sector, as in the case of the MSC, is an issue of management, which is normally regarded as a task for governments since it involves a range of other aspects, including the allocation of social and economic benefits. Ecolabelling can thus be a tool to implement political decisions.

Several issues have to be considered in comparing private and State initiatives on ecolabelling in fisheries. The few available examples are all a result of private initiatives, although one could argue that governments have played a vital role through legislative action as the US government in the case of the dolphin—safe and turtle—safe labels.

The fact that ecolabelling has the potential to be more than a marketing tool complicates the process through which the scheme is established, even inure so when it is supposed to be a global scheme covering such fundamentally different types of fisheries as large-scale industrial fisheries and inshore traditional fisheries.

#### **Need for sobriety**

Obviously, this calls for sobriety in selecting aspects of a fishery which are to be evaluated for certification. It also manifests the importance of taking into consideration the different interests of all stakeholders.



What kind of process is most likely to provide an open consultation? A process initiated by private industrial companies with economic interests in the fisheries sector, even if done in co-operation with environmental organizations which have to rely on the public opinion for financial support? Or is it more likely to be a governmental initiative which, in fact, entails a scrutiny of its own management regime?

One wonders whether it is at all possible to create a single set of principles and criteria which can cover the whole variety of fisheries globally, while taking into account the views of all stakeholders through an open consultation process.

Despite the potential benefits of fish product labelling, the MSC initiative has met with skepticism from fisheries managers, the fisheries sector and environmental organizations other than WWF. The scepticism is largely founded on the perception that the MSC was established without a sufficiently open consultation process involving all the stakeholders. In particular, the process of developing the principles and criteria which would form the basis of certification of a fishery caused concern. Another concern focused on the potential role of a private multilateral organization in evaluating government management systems which are normally established through more democratic processes.

Particularly important are the commercial interests involved. In the case of the MSC, for instance, Unilever has committed itself to purchasing only MSC-certified fish by the year 2005.

This may be a useful target, but there are also dangers that such a commitment could lead to less stringent standards being applied to certification in order to maintain supplies of the raw material. Any labelling scheme, if it is to succeed,

presupposes a certain level of credibility. It needs the support of a range of stakeholders. As a market-driven instrument for improved resource management, ecolabels must enjoy consumer credibility. Yet, even if there is a demand for certified goods, there is no guarantee that the principles and criteria used to assess their suitability for ecolabels are sufficiently rigorous to ensure a more sustainable utilization of fish stocks.

The management of living marine resources is a costly and difficult task. After decades of research, there is still not enough knowledge to guarantee that the management regime decided upon will lead to an optimal utilization of the resource. Whoever initiates the process of ecolabelling will face much of the same uncertainty as governments do.

This kind of uncertainty will obviously be even more relevant in fisheries where there exist few sound monitoring systems. This uncertainty will possibly, in the long run, undermine the credibility of ecolabelling schemes, as consumers begin to see no improvement in fish stocks even when a management regime in accordance with the scheme is in place.

#### **Line of argument**

The line of argument pursued by the WWF and Unilever in establishing the MSC has been that governments have failed to implement a regime providing a sustainable fishery. Therefore, there is a need to find alternative means by which the fisheries sector can be forced or encouraged to take responsible steps to improve the situation. Additionally, they pointed out, governments lack credibility with the general public. WWF and Unilever, therefore, argued that private ecolabelling initiatives supported by a well-known environmental organization would provide the necessary credibility.

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The fishing industries in the Nordic countries have all been particularly sceptical of the MSC initiative. One reason for this is the involvement of WWF. This environmental organization, although it enjoys a credibility with consumers, has a particularly low credibility among those in the fisheries sector due to earlier conflicts on the protection of marine living resources. One should also remember that governments in this area are generally regarded as having a high credibility with the public.

The issue of consumer credibility seems to favour private initiatives, particularly if well-known environmental organizations are involved. On the other hand, due to the difficult conditions for monitoring in fisheries, such initiatives may not get the support of the fisheries sector, which is necessary to effectively implement any management regime

There are several reasons why ecolabelling should be a cause of particular concern for developing nations. Schemes like the MSC are created in the industrialized parts of the world, far removed from the realities confronting the fisheries of the developing countries. The good intentions of environmentalists and others in the industrialized parts of the world to improve the management of fish resources may not match the needs of the fisheries sector in such faraway areas.

The dolphin-safe label came into widespread use within a relatively short period of time. Indeed, it became almost impossible to find canned tuna which was not labelled as dolphin—safe, even when it originated from dolphin-free fisheries, illustrating how difficult it became to market tuna without the label. In addition, there was a great deal of uncertainty among consumers as to the labels meaning. The case of the dolphin-safe label shows that ecolabels have the potential to tune a market, making access impossible without the label. For a developing nation, this should be of special concern.

On the other hand, developing countries might have an advantage due to their traditional fishing practices, normally regarded, particularly by environmentalists, as being less of a threat to fish resources than the more industrialized practices adopted elsewhere.

#### **Premium pricing**

Products from these types of fisheries might command a premium price in certain market segments, but are rarely the main source of exported products. Developing countries will have to face the demands of the environmentally concerned consumer in a world where Claims have to be backed by figures and statistics.

The heated discussions over the last few years on ecolabelling of fish and fishery products has yielded few concrete results. Divergent interests and competing views on what should be labelled and for whose benefit have contributed to the debate.

There seems to be some reluctance to call things by their real names. This has also made it difficult to push the debate forward, as everyone expects some hidden agenda. Even the FAO Technical Consultation, in October 1998, on the feasibility of ecolabelling of fish and fishery products, gave some indication of this difficulty, when developing nations expressed concern that ecolabels were intended to be a trade barrier.

Developing nations are increasingly eager to access the growing import markets for fish and fishery products in Europe and the US. Some of these markets will require a label providing environmental accounts' for their products.

Such a label will undoubtedly have to enjoy the credibility of consumers in the market. To win such credibility it will obviously be necessary to co-operate with the institutions representing the interests and the environmental concerns of these consumers. There are signs of the development of regional schemes, following the failure of the attempt for a global process through the FAD. These

processes will probably be partly governmental. It will be important for representative organizations in the fisheries of developing nations to take an active part in these processes. 3

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