**Towards Transparency?**

**Analysing the Sustainability Governance Practices of Ethical Certification**

 **Abstract**

Ethical certifications and their related labels are frequently seen as market solutions, but less often as sustainability governance regimes. Through an analytics of governmentality lens, we

analyse two different ethical certification schemes operating within a single market. We question whether ethical certification and its related labelling can be relied upon to bring about ‘better’ transparency regarding the products offered from which various outcomes become possible – such as consumers making informed decisions, and various actors being able to hold companies to account. Consumer confusion, evident in our case study, calls into question ethical certification’s achievement of a reduction in informational asymmetries. Our findings also show how this confusion provided an opportunity for a non-government organisation and a government oversight body to ultimately call a company to account. Overall, we point to both the limits and potential of ethical certification as a wider sustainability governance regime by highlighting complexities associated with acts of both governing and being governed.

**KEYWORDS:**  ethical certification, ethical labelling, governmentality, sustainability governance

**Introduction**

Ethical certification[[1]](#endnote-1) has emerged as a way to distinguish between various products and services in relation to their social and/or environmental credentials. Increased awareness, and concern with the social and environmental impacts of products and services, and their origins has contributed to the rise of ethical certification. Food products are a key area where a plethora of certification arrangements have developed (Raynolds, Murray and Heller 2007), most likely driven by a high level of consumer interest in ethical and food safety issues (Wheale and Hinton, 2005). Although the general rationales for ethical certification and the specifics of some of the more popular schemes and well-known labels have been the subject of considerable academic study, the identification of ethical certification as a sustainability governance regime appears rare, especially in the social and environmental accounting literature (although see Gouldson and Bebbington (2007) and Bebbington and Larrinaga (2014) for exceptions) and we are not aware of any empirical studies of certification and labelling as a governance regime in the extant social and environmental accounting literature.

In this paper we analyse two ethical certification schemes operating within a single market with the aim of problematising ethical certification as a sustainability governance regime. In our analysis we examine the question: “How does communication through certification of the social and/or environmental credentials of a product impact the power of the certifier and certified to govern the social acceptability of their product?” Using Dean’s framework, we use two companies as our focal point – the centre of our analysis - but, in addition, analyse the broader governing relations (e.g. third-party certifiers, consumers, supermarkets and the dynamic of the companies as governed and governing). Our analysis raises concerns with certification as a form of sustainability governance, in particular self-certification practices which our findings demonstrate can fundamentally undermine broader aims of ethical certification.

We believe an analysis of ethical certification as sustainability governance is both important and timely given the rapid growth in certification and labelling initiatives (Raynolds et al., 2007; Delmas and Grant, 2014), alongside concerns about food quality and sustainability under systems of quasi-private regulation, and the apparent ‘trust’ in ethical certification to achieve sustainability outcomes. We draw on Dean’s (1999) analytics of government in our analysis as it provides a useful framework to identify and analyse the various rationales and practices underlying the governance regime.

Governmentality relates to the structuring of the field of possible action, and impacts on the capacity for action. As Gouldson and Bebbington (2007, p. 12) note, “governmentality seeks to uncover and examine the often invisible rationality which is behind an assemblage of actions and mechanisms that are in place to govern certain actions.” Dean’s (1999) framework involves the examination of “any more or less calculated and rational activity, undertaken by a multiplicity of authorities and agencies, employing a variety of techniques and forms of knowledge, that seeks to shape conduct by working through our desires, aspirations, interests and beliefs, for definite but shifting ends with a diverse set of relatively unpredictable consequences, effects and outcomes” (p. 11). In utilising this framework we build on the work of Gouldson and Bebbington (2007) and Bebbington and Larrinaga (2014) who identify ethical certification as governance mechanisms by empirically examining the character of a governance regime; we implicitly call into question the power of organisations (in particular large corporations) in society and the increased societal demands for transparency, examining how they might be effected (or not) through ethical certifications.

Dean’s analytics of government framework lays out a vocabulary and set of concepts for the analysis of (1) visibilities, (2) knowledge forms, (3) techniques of government and (4) identities produced, along with their consequences. We outline the key aspects of each of these four analytics in our analysis and, in turn, build on the aforegoing analyses. In the case of the fourth analytic (the identity analytic), while considering explicitly identities, we also consider the interconnectedness across the analytics, placing particular attention on the roles played by various actors, and also the emergent power relations. The analytics and their interconnectedness are key to our aim of problematisation and consideration of transparency and social relations (and relatedly accountability) in, and of such certification practices more widely. While recognising that ethical certification itself sits within, and is part of broader governance regimes in relation to sustainability, we argue it is useful to analyse ethical certification independently. As noted above, ethical certification is growing, and with apparently more reliance on certification to bring about sustainability outcomes, its effectiveness warrants investigation. Through our analysis we contribute to the emerging, yet diverse,[[2]](#endnote-2) sustainability governance literature within accounting and the ethical certification literature.

The remainder of the paper is structured as follows. First, we provide an overview of the various types of ethical certification, along with a discussion of rationales and perceived issues, as identified in the literature. Our review of the literature is intended to provide an overview of key aspects necessary to frame the analysis that follows. In our review we note the actors generally involved in certification practices and the relationships between them. Dean’s analytics of government framework is then introduced, and the research context and approach outlined. We then present and analyse findings before offering some concluding comments.

**Ethical Certification: Emergence, Rationales, Practices and Problems**

Ethical certification and related labels can be seen as an attempt to communicate environmental and/or social information about products or services in markets where consumers are increasingly believed to be interested in the social and environmental impacts of their purchase decisions (Singh, Iglesias and Batista-Foguet, 2012). Ethical certification is an area where it has been argued that the private sector moves beyond traditional boundaries (Giovannucci and Ponte, 2005; Bartley, 2007; Bebbington and Larrinaga, 2014) to address growing consumer and broader civil society concerns about the impacts of products – including the processes used to produce and distribute them. As well as focusing attention further up the value chain, ethical certifications and labels are frequently seen as market solutions. However, as we argue in this paper, ethical certification can also be considered as a sustainability governance regime as the practices and mechanisms of ethical certification govern actions and work to produce both governable objects and subjects.

Product certification refers to the process of certifying that particular products have met or exceeded relevant performance and quality assurance tests and meet stipulated qualification criteria or standards.[[3]](#endnote-3) Such certification can extend to services. Of particular interest in this paper is ethical certification and related labelling which, like regular product (or service) certification and labelling, usually involves a number of different actors working together to produce a regime that seeks ultimately to govern behaviour. In ideal terms: “Effective certification fosters trust at a distance, guaranteeing improved social and environmental relationships for the consumer in far-away places, and is most successful if it is transparent, independent (conducted by a third-party), and accountable (systematic and representative of actual practices)” (Cliath, 2007, p. 416).

*Rationales for Certification*

There are many rationales for voluntary certification. Three main rationales identified in the literature are information, reputation, and competitive (Dauvergne and Lister, 2010; Mason, 2011; Raynolds et al., 2007; Zimmerman, 2005). Given our focus in this study on transparency, the information rationale would appear the most relevant. However, we introduce each rationale in turn here as we recognise that they are not necessarily mutually exclusive, and that in our analysis of two different certification schemes operating within a broader governance regime that follows we note the presence of all rationales.

The first form of rationale is informational. In relation to ethical certifications, informational rationales are argued to help purchasers who may not be technical experts across different dimensions of social and environmental responsibility by providing information (Mason, 2011). They can reduce well-documented problems of information asymmetry where upstream producers possess information that the downstream buyers do not have, and work to reduce risk and liability (Deaton, 2004). As Golan, Kuchler and Mitchell (2001, p. 117) note, private firms will voluntarily provide information to customers on attributes that are perceived to be attractive to, and valued by, those customers “when the benefits of doing so outweigh the costs”. Furthermore, while firms may want to conceal negative attributes, companies may reveal them in a bid to counter consumer cynicism and build trust, as well as for competitive reasons, as below.

The second form of rationale is reputational. There are various ways in which certification and their related labels can lead to increased reputation. For example, Zimmerman (2005) notes that ‘green’ product certifications can act as a signal that producers are interested in being taken seriously by those who want to purchase products with verified green claims. Raynolds et al., (2007), in their study of coffee roasters and distributors, find that companies engage in various certification practices in order to address consumer concerns, ward off possible negative publicity, and capture a share of the growing sustainable coffee market.

The third form of rationale for certification which appear in the literature is competitive. Whether or not competitive rationales are at play is often dependent on the context and market. Companies in some markets and circumstances can increase competitiveness through the introduction of certification – such practices can, for example, lead to competitive advantages through gaining higher prices for differentiated products. Sustainability innovations, management systems and communication may not be attractive avenues for entrenched incumbents restricted by existing assets reflecting past investments (Hockerts and Wüstenhagen, 2010); however, if some industry players do begin to employ more socially and environmentally responsible practices, then “they may have an interest in imposing similar costs on their competitors … or in constructing credible signals of their position” (Bartley, 2007, p.308). Industry dynamics may explain why some industries have cooperated on codes of conduct or certification schemes to effectively level the playing field, as well as to benefit from enhanced industry reputation overall. Such management standard certifications have been conceptualised as ‘club goods’ in that they provide those in the club with benefits that others outside may not be able to access. Competitive rationales would appear to require greater consumer interest and demand for ethical certification than has necessarily been seen to date (Dauvergne and Lister, 2010).

Such informational, reputational and competitive rationales help explain the growth in certification schemes, although, as the above discussion hints, there are some inherent problems with existing certification practices. These are discussed below after the various forms of certification practices are introduced.

*Certification Practices*

Three overarching types of *voluntary* certification exist: self-certification, second party, and third-party certification. The availability of these three types of certification and their voluntary nature provide companies a choice depending on a range of factors (e.g., level of commitment, resources, market intention, and, arguably, willingness and extent of desire for transparency). All three types of certification involve a multitude of actors. As a backdrop for our later analysis, we briefly introduce each and highlight the different types of actors involved.

Self-certification, as the name implies, is when a company declares that its product meets certain criteria or standards. These criteria can relate or even conform to the standards of an outside body but are not declared as such by an accredited certifier. However, they can also be arbitrarily determined (e.g. on the basis of what the company sees as important factors in the marketplace). The emphasis is on the company itself offering assurance. Sometimes self-certification is known as first party certification – and any label that is applied is usually one that belongs to the company itself. These types of self-certification programmes are attractive for several reasons. Perhaps the most significant advantages are that they are “cheaper and require less time and knowledge than going through a real greening process” (Fleming, 2013, p. 2). However, many self-certifications are perceived to be weak, both in terms of content and verification methods employed (Giovannucci and Ponte, 2005).

Second party certification, in contrast, involves assurance being provided by an organisation or association to which the company belongs. As such, it is one step removed from the company, but not completely at arm’s length or independent. A common label or “seal of approval” may be applied.

Third-party certification involves an outside, independent or third party verifying social and/or environmental claims, checking that practices conform to certain standards that may be product-related, or process/management system-related. Hatanaka, Bain and Busch (2005, p. 357) offer a relatively simple explanation as to how third-party certification operates:

First, a supplier applies to a particular third-party certifier for certification. Second, the third-party certifier conducts a pre-assessment and documentation review of a supplier’s facilities and production operations. Third, the third-party certifier issues a certification and allows the supplier to label its products as certified. In general, suppliers are responsible for meeting the costs of the audit.

Again, a common label or seal of approval may be applied. Raynolds et al., (2007), in their study of the coffee industry referred to earlier, note the rapid growth of third-party ethical certification systems “due to their greater legitimacy and associated consumer and market appeal” (p. 151). Indeed, third-party certifications are often claimed to be preferred for a myriad of reasons relating to independence and legitimacy.

Within the three overarching types of voluntary certification, the actors are largely the same. Actors include the various certification providers, those seeking certification, competitors (certified and non-certified), regulators, various stakeholder groups such as NGOs and social movements who use certification practices as a way in which to hold companies to account in relation to social and/or environmental claims and practices, and, of course, consumers. However, the construction of social (and power) relations differs depending on certification practices.

Given the nature of self-certification practices, the companies themselves are key actors as certifiers and certified (playing the roles of the governors and the governed as we argue further in our analysis of one of the companies below). As such, within this type of certification practice, the company clearly occupies an interesting and powerful position which may or may not be recognised by consumers. Self-certification can have effects as to the (perceived) credibility of the certification scheme. Within third-party certifications, the other form we analyse within our case setting, these relationships are different, most notably due to the introduction of a certification provider. What is interesting in our case, and evident through the consideration of two different certification schemes operating within the same market, and within a singular governance regime, is that one can see the various relationship dynamics not only within individual certification practices, but also within and between various certification practices. However, before we present our analysis we first discuss various problems that can arise with certification practices in a more generic sense.

*Problems Surrounding Current Voluntary Certification Practices*

The literature highlights various problems arising from certification. As noted, some of these problems occur given the multitude of actors involved in certification practices and their differing interests and positioning. As Bartley (2007, p. 311) points out “firms typically prefer weaker commitments with minimal enforcement, while social movements prefer stronger binding standards.” For those seeking certification, concerns exist around dependency, hidden costs and vulnerability, whereas from the consumer side, credibility threats are a major concern (Giovannucci and Ponte, 2005).

Companies that decide to obtain ethical certifications for their products are dependent on a number of other actors. Not only do they have to consider consumers who may or may not find particular certifications convincing, but they must choose which certifications to emphasise and to work towards. Once that choice is made, they stake their reputation on the certification - and if it involves a second or third-party - the association or accreditation agency.

Those that engage in second or third-party certification find themselves in a wider range and complexity of social relations. For example, if the certification scheme they have chosen to engage with is adopted by others, then recognition by consumers can be enhanced (Truffler, Mackard and Wüstenhagen, 2001). However, on the other side, a company can be damaged by association if the association or accreditation agency, or another similarly certified company, engages in undesirable actions. Damage can occur even where the certification attributes themselves are not the problem. As such, there appears an advantage/risk relationship. Where multiple product or service attributes are at play, companies may choose to invest in multiple certifications – and further extend the network of relationships and reputational advantage/risk. Building up credibility through certification is thus much less governed by the individual company than it is nested in the interplay between different market and non-market actors (Truffler et al., 2001).

Seeking certification, especially from the arguably more credible third-party certification agencies, can be expensive and involve continuing costs (e.g., obligations to ongoing investment in quality improvements, updating and training and ongoing audit expenses). Companies are often attracted to the more established certification schemes with recognisable labels as these are presumed to reduce the recognition effort for the consumer and attenuate some of the risks referred to above. Another consideration and cost may be the expectation of shared profits from the certified product. Where a price premium can be obtained from the certification, there is the hope (but not always substance) that the distribution of value added might be improved along the value chain (Daviron and Ponte, 2005). Consumers paying more for a certified product might well expect that those further up the value chain derive some benefit through higher wages and better working conditions, for example.

Companies with certified products are indeed vulnerable on a number of fronts when it comes to ethical certification. In relation to the value added referred to above, consumer willingness to pay depends on a number of factors including confidence in the certifying agencies (OECD, 2005 in Brecard, Hlaimi, Lucas, Perraudeau and Salladarré, 2009). Social media provides a quick and easy route for consumers to spread (accurate and/or erroneous) information about certification agencies, competing firms and their offerings (Carrigan and Attalla, 2001), and can damage company reputations directly or by association. Given the largely voluntary nature of certification schemes, there is little to stop competitors adopting the same label, or one of their own and possibly deriving similar benefits. Problematically, companies that try to free-ride on the growing ethical consumer trend by making unsupported claims can dilute the potency of certification schemes (Cliath, 2007; Delmas and Grant 2014).

From the consumer side, certification can also invoke concern. Credibility of the underlying evaluation schemes is a key issue. There is growing evidence of concerns around greenwashing where companies make environmental claims that cannot be supported by evidence (Bowen, 2015). Greenwashing has negative effects on consumer confidence in green products, eroding the consumer market for green products and services, as well as on investor confidence in more environmentally responsible firms (Delmas and Burbano, 2011). Cliath (2007, pp. 413-414) points out that “as greening becomes mainstream, many market actors begin to sound and look like they support environmental and social justice improvements even if they do not, and conscientious consumption becomes confusing.” Consumers may also simply not know which certification schemes are reliable or indeed what they signify. A further issue for consumers surrounds the independence of both the scheme and the verification process, although concern may be attenuated by regulatory involvement (i.e. through a national accreditation body that accredits the certifiers). There are concerns, however, that certification schemes do not always have the systems in place to guarantee the environmental and/or social claims that they make, that random monitoring may not provide real guarantees of compliance (Mason, 2011), and that consumers may sometimes read more into the claims than is warranted.

Also, at issue is the expectation that consumers are motivated and able to make sense of the information that might be conveyed about the effects of complex production systems (Bruce and Laroiya, 2007). Relatedly, consumer confidence in the labelling related to certification practices without multiple partners and without clear communication may not be high (see Delmas, Nairn-Birch and Balzarova, 2013), and ultimately attenuate willingness to pay the price premium often required or desired by certified companies.

While labelling can effectively make ethical certification visible, labels themselves are not unproblematic. “Labels are not just messages about a product or service but claims stating that it has particular properties or features. Even the instrument of labelling itself is a claim” (de Boer, 2003, p. 255). Labels may make it easier for consumers to discern a difference, ideally reducing information asymmetry regarding product attributes between sellers and buyers or, as we investigate further below, they may also confuse. According to de Boer (2003), the impact of a label on purchasing depends on consumer understanding, trust and value in relation to other choice criteria. The absence of a label may be of high to no consequence however, depending on whether there are any salient product or service differences, or whether some or all companies have decided to avoid competing on these grounds in a bid to protect industry image or avoid additional costs (de Boer, 2003).

A further issue for consumers surrounds single-attribute certifications that pick off only one particular criterion as opposed to multiple attribute certifications that cover several product or service characteristics. Eco-labels can be single issue labels or multiple issue omni-labels (Tzilivakis, Green, Warner, McGeevor and Lewis, 2012). As Cliath (2007, p. 416) discusses, some certifications are less stringent than others, perhaps requiring only one particular component of improved practice, for example ‘bird-friendly’ does not require organic practices or social justice improvements. She notes that competition among certifications can work to undermine the success and standards of more comprehensive programmes. Combined with confusing terminology, such competition can make it hard for consumers to determine which products are based on substantive changes and which are not. Essentially, the attribute certified is not always clear from the label. These characteristics can contribute to confusion for consumers.

A more fundamental issue surrounds the degree of transparency about the standards themselves and the processes through which they are developed (Giovannucci and Ponte, 2005). According to Zimmerman (2005, pp. 2-3), those purchasing products should, without too much effort:

[B]e able to identify what the specific criteria of the standard are and how the standard came into being. The standard should be objective and consensus based with a strong foundation of environmental science.... Companies with products that stand to be certified by the standard should not be allowed to provide funds during the development of the standard.

However, it is unclear, and, indeed, questionable whether certification works to enhance overall social and environmental outcomes – including the provision of information and also how consumers might be able to use the information that they do provide. Ethical certifications can create awareness – and attempt to give reassurance – but in many cases they:

...don’t certify a product as holistically green or attempt to make any observations about a product’s sustainability or quality. While many consider green certifications to be overall stamps of approval, they are really only marks indicating that a product meets the criteria specified in the standard of a particular certifying or labelling body (Zimmerman, 2005, p. 1)

On this basis, comparisons of the social and/or environmental impact between products and services can be difficult. Zimmerman (2005) gives the example of a certified product with a higher percentage of recycled material perhaps lasting only one quarter as long as a more traditional product upon installation in a building. He claims that the longer-lasting product is probably the more environmentally-preferable, as fewer resources would be needed to serve the same purpose in the long run. All these confounding factors serve to make ethical certification problematic.

In sum, the literature suggests interest from, and increasing involvement by, a multitude of actors in ethical certification practices; however, it also expresses some scepticism as to what ethical certifications deliver (Bebbington and Larrinaga, 2014). Although the literature most frequently portrays ethical certification and related labels as market solutions, we argue here, following Gouldson and Bebbington (2007), that they can also be considered as a sustainability governance regime. We thus analyse ethical certification using Dean’s (1999) analytics of governmentality. This framework allows explicit analysis of the various rationales and practices underlying governance regimes, adding important insights on the practices involved, including the roles played by various actors. Importantly also, this framework focuses on problematisation and critique which are key aims underlying our study. We introduce this framework for analysis next.

**Governmentality**

Governmentality involves the study of the ‘conduct of conduct’ or the ‘how’ of governing (Dean, 1999). We employ Dean’s (1999) analytics of government framework to problematise two banana certification schemes within the New Zealand banana market. Dean’s framework has been utilised in a number of disciplines including in the area of sustainable food consumption (see Wahlen, Heiskanen and Aalto, 2012) and is not uncommon in the sustainability and accounting literature (see for example, Gouldson and Bebbington, 2007; Russell and Thomson, 2009; Spence and Rinaldi, 2014; Tregidga, 2013).

Dean (1999; 2007) develops and extends the concept of governmentality from the work of French social theorist Michel Foucault and his analytics of power (see, in particular, Foucault, 1991). In line with Foucauldian tradition, an analytics of government framework is also concerned with critique. As noted in the introduction above, for Dean (1999, p. 11), the analysis of governmentality involves the examination of “any more or less calculated and rational activity, undertaken by a multiplicity of authorities and agencies, employing a variety of techniques and forms of knowledge, that seeks to shape conduct by working through our desires, aspirations, interests and beliefs, for definite but shifting ends with a diverse set of relatively unpredictable consequences, effects and outcomes.” Governmentality relates to the structuring of the field of possible action and impacts on the capacity for action.

According to Dean (1999), three elements make up the system of governance: problematisation; regimes of governing; and the utopian element of government. Each is outlined below. Taken together, the three elements enable the analysis of the ways in which things are made governable and help to explain not only why certain approaches do not work, but also importantly suggest potential reform to existing approaches (Gouldson and Bebbington, 2007).

*Problematisation*

Problematisation, an aim of the analysis of governmentality, involves a “calling into question of how we shape and direct our own and others’ conduct” (Dean, 1999, p. 27). While problematisation is discussed further below, in short we problematise how ethical certification governs in a way that produces social relations and influences transparency, that is, a problematisation of certification practices that impact the power of the certifier and/or certified to govern the social acceptability of their product and, relatedly, as a consequence, the ability to hold companies to account. Such problematisation leads to a questioning and discussion of the techniques, practices, rationalities and forms of knowledge through which ethical certification operates and the identities constructed, including power relationships between various identities. These aspects make up Dean’s four analytics which are further described next.

*Regimes of Governing*

Under this element is what Dean (1999) refers to as the four analytics that enable the questioning of how governance might be achieved and analysed. Importantly, the analytics are not independent. However, for ease of communication they are presented separately below and in our analysis that follows, the first three analytics are largely presented separately with the identity formation analytic applied as a cross-cutting analytic to highlight the connections and relationships.

The *fields of visibility* analytic raises questions surrounding what is made visible, and how it is made visible, by governing activities. Importantly the focus extends beyond visibilities, to take into consideration that which has been hidden or obscured. An analysis of forms of visibility “make it possible to ‘picture’ who and what is to be governed, how relations of authority and obedience are constituted in space, how different locales and agents are to be connected with one another, what problems are to be solved, and what objectives are to be sought” (Dean, 1999, p. 30). A range of different visual representations are identified by Dean (1999, p. 30). These include maps, charts, graphs, diagrams and flow charts, and, in the case of ethical certification, would include ethical labels and other promotional and point of sale material.

The *techne analytic* is concerned with the technical aspect of government. This analytic examines the techniques and practices used to achieve governance (which in turn may create visibilities, knowledge and identities), and asks the question “by what means, mechanisms, procedures, instruments, tactics, techniques, technologies and vocabularies is authority constituted and rule accomplished?” (Dean, 1999, p. 31). Technical means are made up of particular types of expertise and know-how and impose limits on what is possible to do by intervening and directing. Technical means are embedded with values and ideologies and rely on mechanisms, techniques and technologies.

In the *episteme analytic*, the central question posed is: “What forms of thought, knowledge, expertise, strategies, means of calculation, or rationality are employed in practices of governing?” (Dean, 1999, p. 31). The focus is on the forms of knowledge that arise from and inform the governing activity. Within governing regimes, institutional spaces are organised and reorganised though the establishment of routines and procedures. Embedded within these routines and practices, thought establishes something as governable and constitutes identities. This analytic considers the discourses of expertise, language and forms of thought which render ‘a problem’ governable and organise the institutional space within which the governing occurs.

The *identity formation analytic* is the final of the four analytics in Dean’s regime of governing. It focuses on the “forms of individual and collective identity through which governing operates and which specific practices and programmes of government try to form” (Dean, 1999, p. 32). Concern is with identification of actors undertaking particular roles, and the characteristics associated with those roles, rather than identities that are pre-ascribed. This analytic considers the status, attributes, capabilities and positions of authority exercised along with the constitution of individuals and groups of actors. As with the other analytics, power and how it is exercised is a consideration here. Furthermore, given the range of actors engaged in the certification process, it is important to consider both those that govern and those that are governed. As noted above, in our analysis that follows we discuss this analytic in relation to the others so as to provide a more complete picture.

*The Utopian Element*

The third and final element of Dean’s notion of governmentality is referred to as the utopian element. Here utopia lies in the mentality that “government is not only necessary but possible” (Dean, 1999, p. 33). There is a belief that the means will achieve the end goal – that government can be effective in matching intentions with the desired ends. Dean (1999, p. 33) argues that it is “necessary for an analytics of government to extract this utopian aspect.” This final stage assists in exposing the taken-for-granted as to how certification schemes work and, perhaps more importantly, reveals possibilities as to how arrangements could work differently.

**Research Context and Approach**

The emergence of, and an interest in, banana certification is likely to be the result of several factors. Most notably these include the widely known negative social and environmental impacts of banana production[[4]](#endnote-4) (Rainforest Alliance, n.d.), the inability to distinguish between most product offerings by sight alone, the competitive market for bananas (including the presence of large multinational corporations) (Smith, 2009), and the popularity of the fruit (Schotter and Teagarden, 2010). Unsurprisingly, banana certification and labelling has been explored elsewhere (e.g., Murray and Raynolds, 2000; Shreck, 2002; Jansen, 2004; Melo and Wolf, 2005). Various certification practices exist in the banana industry and the growth in ‘ethical bananas’ had earlier led to them being the most widely sold fair trade product (Mahé, 2010).

In this paper, we analyse the ethical certification schemes employed by two companies operating within the same market (the New Zealand banana market). These companies were engaged in a David and Goliath-like battle (Hockerts and Wüstenhagen, 2010) over market share – a battle which included ethical certification practices. We followed the case over several months and collected a range of materials as the issue played out in the market and media. We analysed a range of publicly available materials including website information, magazine and newspapers articles and were further informed through engagement with several individuals involved over a number of months.[[5]](#endnote-5) We focussed on key events related to the introduction of certified products, the form of certification, and the main actors involved (e.g. company’s, certification agencies and consumers). We present the findings of our analysis below, beginning with an overview of the companies and architectures of governance utilised.

**The Emergence of Certification in the New Zealand Banana Market**

Our analysis focuses on two companies operating in the New Zealand banana market.[[6]](#endnote-6) The first, All Good Organics, was a local start-up established in 2008. All Good brought Fairtrade certified bananas to the market in 2010 (All Good, n.d.). The second, Dole NZ, had multinational connections (Dole Food Company) and was an established brand with Dole expanding into New Zealand in 1993 and introducing its bananas a few years later (Dole NZ, n.d.). Along with brand, source of supply, and price per kilogram, the certifications held by each company at the time of our analysis is summarised in Table 1.

**Table 1: Product and Certification Detail**

|  |  |  |
| --- | --- | --- |
| **Company / brand and source of supply** | **Indicative price/kilogram** | **Certification** |
| All Good BananasImporting from the El Guabo co-operative, Ecuador | NZ$3.99[[7]](#endnote-7)  | Fairtrade certified |
| Dole New Zealand / DoleImporting from the Philippines | NZ$2.99 | Dole’s Ethical Choice scheme based on:SA8000 (an externally audited standard related to work hours and wages)ISO14001 – a formal commitment to improve environmental performance by setting measurable goalsISO9002 – obsolete standard withdrawn by ISO in 2000 |

Source: Adapted from Kenworthy (2012)

All Good was the first to introduce ethically certified bananas to the New Zealand market. All Good bananas were third party, Fairtrade[[8]](#endnote-8) certified. All Good also attempted to educate the broader public about Fairtrade products through its website and presence at social media and events.

Dole NZ introduced its self-certified ‘Ethical Choice’ bananas shortly after. Dole’s Ethical Choice brand appeared to be attached only to products sold in New Zealand, and, despite its timing after the entrance of the Fairtrade competitor’s products, was positioned by the company as a response to potential consumer concerns:

Because we know that New Zealanders care about the origins of their food and the welfare of those involved in its growing, packaging and transportation, we have developed the Ethical Choice sticker you may have seen on our fruit (Dole NZ, n.d.).

Dole NZ’s website described the Ethical Choice label:

Our Ethical Choice label is not a certificate that we pay a third party to use, but represents our pursuit of ethics based initiatives and corporate social responsibility, as demonstrated by independent certification of our compliance with internationally recognized quality, environmental, and social accountability standards (Dole NZ, n.d.).

Dole NZ’s Ethical Choice brand was a self-certification based on its practices and on their stated compliance with recognised standards. Specifically, the standards referred to were SA8000, ISO14001 and ISO9002 (see Table 1 for further details).

In November 2011, a complaint was made to the Commerce Commission, a government competition watchdog, alleging Dole NZ’s approach to advertising banana, pineapple and pawpaw production contravened the Fair Trading Act. Specifically, Dole NZ’s Ethical Choice label was alleged to be misleadingly presented as if it were an independent third-party label, and related promotional and website material were argued to contribute to potential confusion in the marketplace. Potentially due to the presence of All Good, but also because of bananas’ greater market size and significance, bananas became the focus. Concern was raised by the independent watchdog the Commerce Commission as to whether Dole NZ’s Ethical Choice label would confuse consumers into thinking the product was third-party certified and make the company appear more ethical than its competitors (Keown, 2012a, 2012b). Television coverage in 2012 included clips of consumers confused by the labels on bananas. The results of a Television New Zealand online survey showed a 92% disapproval of Dole using a self-certified label (TVNZ, 2013). The Commerce Commission issued a compliance advice letter, alerting the company that it may be at risk of breaching two particular sections of the Fair Trading Act. After Dole NZ moved to trademark its label, Fairtrade Australia and New Zealand launched legal action against the global banana producer (Keown, 2012a).

On 27 May 2013, Oxfam New Zealand, an NGO focused on reducing poverty and social injustice released a report titled “The Labour and Environmental Situation in Philippine Banana Plantations Exporting to New Zealand” (Center for Trade Union and Human Rights, 2013). The study found that Dole employed underage workers in its Philippines plantations, paid less than minimum wage, and forced them to work up to 12 hours a day. There were also claims of harassment for union affiliation, aerial pesticide spraying while workers were in the plantations, and environmental damage. Oxfam New Zealand called for Dole NZ to drop its Ethical Choice label. The following day, Dole NZ announced it would no longer sell its Ethical Choice bananas. However, Dole remained a major player in the market with its regularly branded products.

We now employ Dean’s analytics of government framework as a lens through which to examine the two certification schemes within this context introduced above and consider the effectiveness of ethical certification as a sustainability governance regime. Specifically, after problematisation is discussed, the four analytics of fields of visibility, techne, episteme and identity formation are considered.

**Problematising and Analysing New Zealand Banana Certification as a Sustainability Governance Regime**

Problematisation in this study largely relates to the information rationale of certification and whether or not ethical certification achieves the stated rationale of providing information enabling sustainability outcomes and governing the social acceptability of the product. As discussed above, one commonly stated rationale for certification is to enable producers who may not be technical experts by providing additional information, essentially reducing information asymmetry. To be successful in achieving the reduction of information asymmetry certification practices would need to provide information in a manner that enhanced transparency, ultimately providing ‘better’ information about the banana products and their social/environmental credentials. Such enhanced transparency increases the potential for purchasers/consumers to make more informed purchasing decisions and also the ability to hold companies to account.

However, while we focus our problematisation of ethical certification as a governance regime based on the information rationale we do note that other rationales, reputational and competitive, are not absent from our study. Indeed, we note that the reputational rationale is likely to have influenced All Goods decision to engage in the well-recognised Fairtrade certification scheme. Furthermore, given the increased competition for market share arising from the new entrant being successful despite a higher end pricing strategy, competitive rationales are also likely to have been motivators for both companies engaging in certification practices. We next analyse certification practices within our case setting using Dean’s four analytics.

***Fields of Visibility Analytic***

The fields of visibility analytic reveals how ethical certification operates through visual representation. It focuses on what is made visible, and what is obscured. While there are arguably a number of visuals in this context (e.g. websites and other advertising materials), the most powerful visual in relation to certification within this context are the labels that the two companies attached to the bananas and were visible at point-of-sale. Ethical labels, as noted above, are commonly associated with certification and attempts to narrow the information gap between producers and consumers. Such labels “may impress on consumers the relationships behind the product and potentially put the social and environmental relationships they are really purchasing in sight and in mind” (Cliath, 2007, p. 415). Images of both companies’ labels are easily found online.[[9]](#endnote-9)

All Good and Dole Ethical Choice bananas each had a label, a sticker placed directly onto the skin of the fruit. However, in order to get access to the major channel supermarkets, All Good also had to place a bandwrap label around its bunches of fruit so that its higher priced bananas were easily identified by consumers – and by checkout operators to avoid undercharging. This bandwrap required by the supermarkets afforded All Good more space for information on the company’s ethical stance than would a smaller sticker on each fruit. The labels read:

As good for the growers as they are for you. All Good Fairtrade bananas ensure growers at El Guabo & their children get a fair deal & a decent standard of living & you get great tasting bananas, Find out more at allgoodbananas.co.nz.

The statements, while general in nature, try to connect consumers with key issues underpinning the Fairtrade certification. As such, All Good used the supermarket required bandwrap to offer additional information, suggesting an informational rationale for certification as one possible rationale for this company. The above statements can also be read as an attempt to induce social identification, reduce distance and achieve greater feelings of empathy between consumers in New Zealand and the situation facing growers and their families in Ecuador. All Good also incorporated a reminder of the healthy nature of the product, alleged to work in both the consumers and sellers’ interest.

All Good’s predominantly yellow and black bandwrap featured the Fairtrade logo - a somewhat common and recognisable logo attached to a range of Fairtrade products. The logo indicated endorsement by Fairtrade, a third-party independently assured certification scheme, and the label text specifically reinforced this association (“All Good Fairtrade bananas”). As such, this label represented what some of the elements of that certification entailed.[[10]](#endnote-10) All Goods’ label, therefore, attempted to make visible, by identification, association and exemplification, the practices and ideologies that lay behind the product.

Dole’s Ethical Choice label[[11]](#endnote-11) was a green rectangular sticker with ‘Ethical Choice’ in large bold print and a large green tick. Smaller type reading “supporting Dole’s Ethics Initiatives” and a web address were also included. The tick symbol is a powerful visual used in a number of social and environmental certification systems, including the GreenTick Independent Sustainability Certification used in the New Zealand context analysed here. While not associated with the GreenTick certification scheme, Dole’s green tick could have potentially been mistaken to be. Both the colour green and the simple label styling could also be connoted with an environmental ethos in stark contrast to the much larger (and more obviously plastic) All Good bandwrap.

Dole NZ’s Ethical Choice label, we argue, worked by way of inference to communicate practices not made immediately visible. However, given that it is not associated with a third-party or known certification process, this label served to confuse (Keown, 2012a, 2012b) rather than to reduce the information gap. While attempting to illuminate the stated values of the brand, the label masked or obscured, and likely confused consumers as to the nature of the certification involved. This situation was further confounded by the combination of the tick visual used by Dole NZ, a visual often associated with a third-party check, and the use of the colour green. Dole NZ indicated on its website that much was embedded in the ethical label visual.

This sticker represents our commitment to ethical conduct throughout our business operations and to provide a safe, healthy, fair and productive environment for all our workers (Dole NZ, n.d.).

The words chosen by Dole NZ “Ethical Choice” are also open to interpretation. It is not clear who had the choice (the company, the consumer, even those involved in the banana’s production). Moreover, such choice is of an undefined ethical nature.

Gouldson and Bebbington (2007, p. 15) argue that “the presence of certification logos on products provides a visibility of the assurance process so that purchasers may know which products should be purchased (if one has assumed an ethical consumer identity).” However, our analysis demonstrates how labelling practices are more complex and problematic than this statement implies. Ethical labels seek to make certain rules or practices visible, but at the same time potentially mask or obscure other relevant information. Analysis of the visual analytic of certification is therefore useful, as “unpacking labels as a technology can provide valuable insight about the ability of labels to effect change and also make actors more aware of potential roadblocks” (Cliath, 2007, p. 415).

The visual analytic begins to highlight the problematic governance regime of ethical certification in relation to information rationales and transparency. This is particularly so when the different practices, the different certification schemes, that operate within a single governance regime are considered. If certification is to enable consumers to distinguish between products which signify substantive social and environmental performance, then the related labels are an all-important encapsulation and communication tool. “To avoid accidentally supporting producers who misrepresent themselves as blue and/or green, consumers have to be able to count on a label’s integrity” (Cliath, 2007, p. 416). Moreover, “Disingenuous labelling harms producers, consumers, and retailers who are truly engaging in blue and/or green practices” (Cliath, 2007, p. 416). In line with van Amstel, Driessen and Glasbergen (2008, p. 263) who conclude that eco-labels “fail to communicate adequately; they do not diminish the information gap between seller and buyer,” we find, through an analysis of the visual, similar problems. Indeed, we would go as far as to suggest that the labels applied in this case enhanced the information gap and contributed to governance of consumer choice.

***Techne Analytic***

Sitting behind certification schemes, and their related labels, are sets of technical practices and rules, and also processes to check that the product being certified meets specified standards. These technical aspects make up the techne analytic and are important to ensuring the confidence and credibility of schemes. With the technical aspects of certification in place, there is a sense in which it may be understood that negative impacts will either be overcome or diminished; at the very least that they will be communicated. In many ways, certification positions the ethical impacts of products as knowable and governable, and hence governed and controlled.

The likely effect of the ethical label and the related practice that it connotes is that the product which carries the label has been examined and its claims tested and has passed some sort of ethical test gaining endorsement. As Gouldson and Bebbington (2007, p. 15) note in relation to organic food certification and labelling, “sitting behind logos are (in most cases) extensive sets of technical practices which, inter alia, define what constitutes organic food, detailed rules of when a farm can be certified organic, and inspection processes to check that food reaches the specified standard – and with these technical aspects of government underlying consumer confidence in the credibility of the certification ‘brand’”.

In the case of All Good’s Fairtrade bananas, the label implies that the product not only complies with, but has been checked for conformance with, Fairtrade standards which include guaranteed Fairtrade minimum prices agreed with farmers and workers, an additional Fairtrade premium which can be invested in social, economic and environmental and development projects, as well as criteria set to secure socially and economically fair and environmentally responsible conditions for production and trade (Fairtrade New Zealand, n.d.). Whereas the Fairtrade standards and assurance processes and routines were relatively transparent (not via the label but via the Fairtrade website and documentation), the practices and routines for the Ethical Choice brand were not as clear.

While Dole NZ’s Ethical Choice brand was said to be related to independent standards, it was unclear how the technical aspects of these process-based standards translate to the product. This situation was further complicated by the fact that ISO9002 was an obsolete standard withdrawn from ISO in 2000, and therefore performance based on this standard was unlikely to be monitored (at least not externally) or kept up-to-date.

The role of the label in communicating the technical aspect of certification practices is limited. What the certification schemes entail, what is going on ‘behind the label’, the expertise surrounding accreditation and verification for example, is unclear - even more so when these routines and practices are not made public. As stated previously, the analytics are not separate, but interconnected as demonstrated here. In short, the certification scheme, as communicated by the ethical label visual, creates the perception (in particular to the consumer) that there are a series of routines and practices that lie behind the label, but the nature of these, and the level to which they were actually adhered to, is not entirely evident. Again, the techne analytic of ethical certification can be seen as an attempt to govern consumer choice – with the question left open as to whether consumers actively seek substantiation. When they do, as in this case, and it is lacking then there is clearly a downside risk for the company concerned.

***Episteme Analytic***

The episteme analytic focuses our attention on the forms of knowledge that arise from and inform the governing activity. Along with the ethical label, we suggest that price points also work to construct knowledge as to the product being sold.[[12]](#endnote-12) With premium pricing often associated with quality and ethical certification (Delmas and Grant, 2014), sticker price can work to construct knowledge on the differently priced product offerings. While an assessment of whether such knowledge affects purchasing decisions is outside the scope of this study, there could be multiple ways in which this knowledge may have affected decisions. With All Good bananas priced higher than those of competing products some consumers may consider that this product was ‘better’ in the sense of having less deleterious social and/or environmental impacts, or otherwise, for example in flavour or taste though this is less likely with a fairly standard product like bananas. However, with the Dole Ethical Choice priced much closer to those of the non-certified products, consumers may also have also believed (as comments on the All Good website indicate) that they were making a ‘better’ choice without paying more by opting for the Dole Ethical Choice bananas.

Certified products, their labels and other signals associated with certification can thus establish a common knowledge. In particular, given ethical labels are the most powerful visual analytic, it could be argued that all products which carry an ethical label represent ‘better’ products than non-labelled products. Deficiencies in certification reducing the information asymmetry are seen here with the ability to distinguish between certified products problematic. The label gives the sense that it provides consumers with an “information short-cut” which does not require educated and informed governed subjects to understand; yet our analysis would seem to suggest that this “information shortcut” does not exist to the same extent when multiple certifications are evident in the same product market. At the least, carrying an ethical label is likely to establish common knowledge as to greater transparency in relation to the product - that is the association that a labelled product communicates more information about the product than a non-labelled product but what informational role it achieves between differently labelled products is unclear.

While the techne analytic discussed above enables the identification that there are differences between the two certification schemes, without understanding the technical aspect (which is hard to do from the visual and requires considerable effort to ascertain), the knowledge produced by the ethical labels, at least if one is not educated on the differences between them, is potentially the same for both product offerings. In short, while labelling may assist in reducing the informational asymmetry between labelled and unlabelled products, when there are multiple labels operating within a single governance regime the informational role of labelling appears limited.

Certification, as a rational and thoughtful activity to govern practice, creates particular knowledge in relation to certified products and potential assumptions about non-certified products or ones where similar claims are not made. However, whether this knowledge varies between different certification schemes is likely to depend on the consumers’ knowledge of the various schemes and relationships among them. This situation prevails despite products with third-party certification having to undergo independent assurance and monitoring.

***Identity Formation Analytic***

The fourth of Dean’s (1999) analytics is the identity formation analytic. Here, the groups or individuals constructed within the governing practice, and the relationships between the various actors are considered. We also, in this section, consider the interconnectedness across the analytics discussed above to bring together the key aspects of our analysis.

Within ethical certification in the New Zealand banana market a number of identities and social relations are constructed through the practices of government. It is useful to further consider governing groups/individuals as well as those that are governed. While we recognise that these relations themselves are also affected by other acts of governing, and power within governance regimes is multifaceted rather than unidirectional, an analysis of the main individuals and groups involved and the relations between them are useful.

One of the key identities involved is Fairtrade, an established third-party certifier within product certification practices through the Fairtrade brand. Fairtrade gains credibility through its internationally recognised certification scheme – although the Fairtrade brand is not without its critiques (f.n.#10, Chambers, 2009). Through its published values, ideologies and standards, and its independent assurance of those products and processes that bear its recognised logo, Fairtrade, in conjunction with those it certifies (see more below) constructs knowledge around fair trade practices and certification. When companies seek Fairtrade certification for their products, the Fairtrade organisation increases its presence in the field, and its profile as a certification standards provider. Through documenting values, standards and procedures, Fairtrade positions itself as a key governance party in facilitating and promoting Fairtrade certification and within the regime of ethical certification more broadly. However, it is also reliant on those that it certifies, the governed, through association which, as discussed in the review of the literature above, carries potential risks to its reputation. The organisations and individuals that sign up to Fairtrade also help to promulgate the Fairtrade organisation and construct its identity. Within the certification schemes analysed here, and by the promotion of Fairtrade by All Good, Fairtrade is constructed as holding specific capabilities (e.g. acting as an ethical decision-maker), qualities (e.g. possessing ethical knowledge) and status (e.g. being a sustainability expert).

With its bananas certified Fairtrade, All Good is identified as a governed party within ethical certification. Being independently certified Fairtrade, All Good bananas had met the international standards and expectations constructed by the Fairtrade organisation. The practices and processes used to bring its bananas to market were, to the extent covered by Fairtrade standards, governed by that organisation and the separate international certification company (FLO-CERT) that certified against the standards and regularly monitored conformance. However, All Good could also be considered as a company that governed practice through various social relations. In addition to that discussed above in relation to Fairtrade, All Good governed through its entry into the market and subsequent attempts to educate consumers regarding the social and environmental impacts of banana production. As noted, All Good constructed knowledge and awareness within the market context through its website, advertising and social media presence as well as at external events. Also, through creating such knowledge and providing competition to the other existing banana companies in the market, All Good has also influenced practices within the market as we saw its entry changing the dynamics of the field. As noted in the literature above, certification practices can affect industries due to competitive rationales.

Dole NZ is also both a governor and a governed party. Through establishing its own certification practice and label, and self-certifying its bananas as ethical, the company occupied an extremely powerful position as the governor of its own practices, and to the extent it continued, as governor within the market with the most attractively priced ‘ethical’ bananas. We would also argue that Dole is a governed party as its conduct was governed by the entrance of All Good into the market and arguably by the increasing social and environmental concerns among consumers and practices of the supermarkets which we discuss further below.

In addition to the certifiers and certified, other identities were constructed and governing relationships evident. For example, supermarkets as the major sales channels had power in determining what products they sold, and how the products were sold. Product presentation and product placement are important, especially in product ranges where it is difficult to distinguish between products and there is a competitive market (Smith, 2009). Supermarkets’ ability to dictate product presentation and placement, as well as how prices are derived and displayed, means they are also a party involved in the governing of conduct (both of the banana companies and the customer) and influencing the governable object (the product).

Governmental and non-governmental organisations also occupied important positions in the governance regime. As can be seen from our analysis, various groups can use certification practices as an accountability mechanism. The Commerce Commission, for example, the government watchdog that raised concerns with Dole NZ’s certification scheme, influenced the market dynamics through using the case to highlight concerns with informational asymmetries and consumer rights. Oxfam too, as our study identifies, was able to use certification as a mechanism to call to account Dole’s practices. The release of its report on banana production in the Philippines was potentially more powerful when it could counter the claims to ethical practice embedded within Dole’s Ethical Choice label. However, we also recognise that such attempts to hold companies to account may fail, or at least be hindered, because such groups “may lack the knowledge and/or power to hold organisations to account” (Gouldson and Bebbington, 2007, p. 16). In this case Oxfam’s power was amplified because its report was picked up by the media thereby having reputational impact for Dole. In addition, the Commerce Commission had already weighed in on Dole’s label before the Oxfam report, meaning there was the possibility of further regulatory consequences. These identities are relevant within the governance regime as they govern behaviour and conduct.

The final identity discussed here is the identity of the ‘ethical consumer’. Ethical certification relies on the ethical consumer identity and on the preface that ‘ethical’ product certification can stimulate such market interest. Product certification is a mechanism through which the consumer can be empowered – or as we saw in this case confused and disempowered. Certification and the related labels are held to provide information to enable ethical consumers to choose more socially and environmentally responsible products. They also provide a platform on which consumers can choose to boycott products that do not adhere to particular values. However, as with other stakeholder groups above, consumers generally lack the knowledge and/or power to hold corporations to account. Within this analysis, it is hard to ascertain whether or not the consumer was constructed as a knowledgeable subject (and therefore able to interpret the label and its claims) or an unknowing subject (where the label was used to make the product appear ethical vis-à-vis competing products). However, the consumer confusion evident in the various media analysed suggests the latter. While consumers have purchasing power (ultimately a very powerful position) they are very much the governed in this context. Due to poor informational cues and apparent confusion – and ultimately a lack of transparency – the power of the consumer is reduced. Through knowledge and consumer education, that power could be reclaimed. However, it would require either effort on the part of consumers as, as we have shown, certification and its related labels are not readily transparent, or changes to the governance regime of ethical certification so as to achieve greater informational symmetry. We suggest both these aspects are difficult. Even with effort from the consumer, knowledge and education as to certification schemes and their differences may not be easily gained given the dominant position of sometimes large and powerful companies in the governance regime.

***The Utopian Element***

The utopia here lies in the ongoing goal that the governing of practices through ethical certification to achieve transparency through ‘better’ product information is not only useful but also possible. There appears to be a taken-for-granted belief that ethical certifications will lead to better information in the marketplace and provide consumers with the ability to distinguish product offerings on social and/or environmental criteria that the techne element suggests are more complex and nuanced than they appear. The case discussed here, and our analysis of two certification schemes within the New Zealand banana market, has problematised the belief that certification has the potential to lead to ‘better’ product information, and the taken-for-granted assumptions embodied in certification practices.

We have demonstrated that certification as a regime of governance is complex and calls into question ethical certification achieving a reduction of informational asymmetries. As we have shown, this complexity relates to transparency, communicated most clearly through the visual analytic and the obfuscating labels, but also evident in the techne and episteme analytics as well as in the various identities and social and power relations evident in our analysis. Our analysis prompts reflection on the potential of certification moving forward and what would be needed, if it is at all possible, for the utopian element to be achieved – for we agree the goal of better products is a worthy one. This element also prompts us to think of the role of different identities within the government regime. How do the different actors and identities work to maintain the relations that lead to information asymmetries and in whose interests do they work? Furthermore, and perhaps more optimistically, how might they need to need evolve, or what subjects and identities which are absent might be needed, to work toward the utopian ideal? What is clear to us is that underlying rationalities of governance – both visible and less visible – need to be better understood.

**Concluding Comments**

We have sought to problematise ethical certification as a sustainability governance regime, analysing two certification schemes in the New Zealand banana market. Applying Dean’s (1999) analytics of government framework, we questioned whether communication through certification of the social and/or environmental credentials of a product impact the power of the certifier and certified to govern the social acceptability of their product. Our study shows that while ethical certification would seem to have the potential to bring about the utopia or desired ends of consumers making informed decisions and various actors being able to hold companies to account, in this case it did not. Certification schemes and the related labels analysed in this study were not only not understood but confused consumers - and because of various interests and complexities did not lead to transparency in relation to the products’ ethical credentials as a utopian view would have suggested.

Our findings highlight not only the complexities and limits of specific certification schemes and the related labels’ ability to communicate, but also problems with ethical certification as a wider sustainability governance regime. The various governing relationships are more complex and multifaceted than they appear at first glance. Both the certifier and the firms whose products are certified can be seen to have interests in governing the social acceptability of the certification scheme and the certified products. ‘Success’, in relation to the informational rationale, relies on the reduction of informational asymmetries. Consumer confusion evident in this study points towards a lack of knowledge that exists when it comes to consumer understanding of different certification practices and labels, and the inadequacy of various certification schemes and practices in enhancing that understanding.

Our findings also suggest that while ethical certification practices potentially have some effect in relation to the ability to hold companies to account – these are seen to derive not from increased transparency resulting from certification and labelling practices – but, somewhat paradoxically, due to problems with transparency. That is, the lack of transparency as to certification and labelling and the difference between the two schemes led to confusion and questioning by the consumer, confusion which was then utilised by a motivated NGO to prompt action from a government consumer watchdog. Opportunities for various groups to get leverage from false or confusing claims are therefore evident. The roles of governor and governed are not always as a utopian ideal might contend. Nor are they fixed or immutable, as our analysis reveals. There is perhaps a further collapse of utopian intent in the case of self-certification, where the identities and prerogatives of certifier and certified tend to be conflated within the one company, albeit that in the case analysed there were (outdated) referents to other actors within the certification field.

This paper contributes to the ethical certification literature as well as the literature on sustainability governance within social and environmental accounting. In particular, we build on the work of Gouldson and Bebbington (2007) and Bebbington and Larrinaga (2014) who identify ethical certification as governance mechanisms by empirically examining the character of a governance regime. We raise concerns with certification as a form of sustainability governance, in particular self-certification practices, which undermine broader aims of ethical certification. A problematisation of ethical certification in relation to transparency and social relations is, we would argue, an important first step in realising the potential of ethical certification practices to become an effective sustainability governance regime (Dillard and Vinnari, 2017). Through an exposing and questioning of the taken-for-granted outcomes of certification practices ways to improve practices may be identified. Perhaps most clearly, our analysis has clearly raised concerns with self-certification practices, and, by considering such practices as part of a singular governance regime, shown how such practices affect the achievement of the aims of ethical certification more broadly through teasing out the relations between the various schemes and their effect. Ultimately, our findings suggest the need for further research into the transparency aspects of ethical certification and consumer understandings of, and ability to evaluate, certification practices, as well as the role of both governmental and non-governmental organisations in achieving the desired utopian goals.

We see value in future research which employs a governmentality lens to examine certification and related labelling across various contexts. There are a range of contexts where certification practices are commonplace – some of these have been mentioned above (e.g. coffee, forestry, education). With the growth of certification, there are areas where certification practices are being introduced and developed. A particular certification can also transcend industries and product/service offerings - including the Fairtrade certification discussed in this paper. Understanding the governing practices of certification and their effects more broadly, and in multiple contexts, would extend the findings presented here and provide a more comprehensive understanding – including the ability to compare and contrast practices and the understanding of such practices across sites of analysis. Indeed, we have examined here certification as an attempt to govern consumers behaviour but are mindful that such certification practices are in many ways intended to govern producer behaviour of those further up the supply chain something which, while outside the scope of this paper, would seem worthy of analysis through a sustainability governance lens. The auditing processes and practices underlying certification are also an area for research (see, Maze et al., 2016). Such studies would seem of interest to accounting and sustainability governance researchers. Further research is required to further inform the range and changing nature of identities and governance practices within the certification field and also inform developing certification and labelling practices.

Ultimately, our findings raise questions as to whether ethical certification and related labelling practices lead to ‘better’ product information and, as a consequence, the potential to hold the corporation more to account, or whether they represent a governance mechanism for corporate legitimisation that potentially confuses or misleads. However, while it is apparent from our findings that there are problems with current practices, there does appear to be potential in more well-founded and well-rounded governance regimes including a range of actors. Collective actors like governmental and non-governmental watchdogs who might traditionally be seen on the sidelines of certification governance, we suggest, have greater ability, and perhaps also greater motivation and interest, than do individual consumers in checking out unclear, and arguably more controversial, claims made around ethical certification. Their role in the sustainability governance regime is thus underscored. Viewing certification and labelling practices from a governmentality lens, rather than a market solution lens, we suggest, helps to expose the limits of current practices and the potential to work towards something more enabling through more broadly focussed considerations of how transparency and accountability are best achieved.

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1. Ethical certification is the overarching term used in this paper to refer to both or either of the environmental and social dimensions of product (or service) certification. For consistency, we employ the term ethical labelling to refer to labels that include both or either of the environmental and social dimensions of a product (or service). The terms eco-labelling and greenwashing appear where explicitly offered as a quote and/or accompanied by a citation and may be interpreted as pointing to environmental dimensions of a product (or service) with or without reference to any accompanying ethical certification. [↑](#endnote-ref-1)
2. While the accounting literature in the area of sustainability governance has a common focus on the role of accounting discourse and practices in governing conduct, the literature itself can currently be described as diverse (or eclectic) given the range of topics that have thus far been considered from this perspective. For example, the current literature includes an analysis of national sustainability indicators (Russell and Thomson, 2009); supply chains (Spence and Rinaldi (2014); biodiversity offsetting (Tregidga, 2013). It can also be argued that the literature is underdeveloped leading to the editor in this special issues’ call for paper to state that there is a need to increase our understanding of the role that accounting plays in sustainability governance. [↑](#endnote-ref-2)
3. Various certification schemes exist. Some seek application in a range of countries, and some pertain to just one country. Many countries have a single accreditation body represented in The International Accreditation Forum. The International Standards Organisation (ISO) develops and publishes International Standards. ISO’s Committee on Conformity Assessment has published standards relating to the certification process, with ISO claiming, “the voluntary criteria contained in these publications are an international consensus on good practice relating to certification” ([www.iso.org/iso/home/standards/certification.htm](http://www.iso.org/iso/home/standards/certification.htm)). Certification or conformity assessment is largely provided by private certification bodies that may be accredited by the national accreditation body. [↑](#endnote-ref-3)
4. Bananas are often associated with environmental impacts of deforestation, monocultural crops replacing highly diverse ecosystems, intensive use of pesticides, fertilizers and irrigation, soil contamination, and water pollution contributing to on and off-site degeneration (Melo and Wolf, 2005). Organic and inorganic waste coming from production and processing are said to generate additional risks to both people and ecosystems (Melo and Wolf, 2005). Commonly noted social impacts include poor working conditions (including exposure to pesticides and other chemicals) and low pay. [↑](#endnote-ref-4)
5. Our understandings were also informed and developed through interviews with various parties within the New Zealand banana market. These interviews formed part of a teaching case on this issue. While these interviews are not drawn on explicitly in this paper because they had a different focus, we do recognise their contribution in informing our understanding of the case study here. [↑](#endnote-ref-5)
6. Two other companies operated in the market at the time – Turners and Growers/Bonita and Grassfields/Sumifru Corporation (Kenworthy, 2010). They are not included as they do not form part of our analysis as their bananas did not carry ethical certifications at that time. [↑](#endnote-ref-6)
7. All Good Bananas are sold by the bunch. Labels state each bunch is at least 850 grams although according to the company, the average bunch size is approximately 1 kilogram. The price per bunch is stated as price per kilogram. [↑](#endnote-ref-7)
8. A global poll of 17 000 consumers across 24 countries conducted for Fairtrade International showed 57% of New Zealand consumers familiar with the Fairtrade label and 51% saying they trust it. Most of those who recognised the label also regarded it as a trusted label (76%). (Fairtrade NZ, n.d.). [↑](#endnote-ref-8)
9. For example, Doles ethical choice label can be found at <https://www.sustainablebrands.com/news_and_views/communications/listen-how-one-brand-learned-greenwashing-never-ethical-choice> (Accessed 29/11/2018) and the All Good Bananas label and bandwrap can be viewed at <http://allgoodorganics.co.nz/fairtrade-bananas/> (Accessed 29/11/2018). [↑](#endnote-ref-9)
10. The well-documented limits and criticisms of Fairtrade generally and Fairtrade bananas specifically are acknowledged. Examples of criticisms of Fairtrade include claims that the certification scheme distorts the market, the governing organisation has not been able to effectively audit sites and only a small percentage of the premium charged to consumers and producers for certification makes it back to the farmers (Chambers, 2009). *The Ecologist* produced a special report in 2012: “Behind the label: How fair are organic and Fairtrade bananas?” There did not seem to be a clear answer to the question of whether Fairtrade really was the best way to do good. “While the health problems normally associated with banana plantations and daily contact with toxic pesticides and fungicides were not apparent in the Dominican Republic, the industry *The* *Ecologist* saw in the country, was still one reliant on a migrant workforce paid poverty wages, living in slums and with no legal status” (Levitt, 2012). [↑](#endnote-ref-10)
11. See TVNZ (2013). [↑](#endnote-ref-11)
12. Other factors such as size of bunch and of individual fruit, colour and perceived ripeness are also important when considering purchasing decisions. However, these visual cues and preferences are not related to certification and therefore outside the scope of the paper. [↑](#endnote-ref-12)