

Ecolabels as market access requirements

Request for MAC input

Fish and seafood are one of the most traded commodities worldwide, and the EU is the biggest world market for fish and seafood products. As the issue of sustainable fishing and aquaculture activities has become more and more important over the past two decades, the power of the supply chain to influence practices in fish production has attracted increasing attention.

In particular, high-profile brands in the fish and seafood industry have formally incorporated social and environmental values into business practices through their Corporate Social Responsibility (CSR) programmes. Three-quarters of the top seafood corporations have some sort of CSR profile and the globalized nature of the seafood industry suggests there is great potential in using CSR and the market to push “keystone” actors towards more sustainable practices. However, CSR commitments made by companies and brands may often be the reflection of work upstream and of a burden borne by the smaller producers (Bailey et al. (2018) and studies quoted therein).

Sustainable sourcing is the most widespread CSR commitment companies have adopted. This can be ensured through a number of different tools (e.g. certifications, fisheries improvement projects, traceability), although seafood certification is by far the most common tool in the EU market.

While it is widely accepted that certifications can open up new markets, the connected risk of losing markets due to a lack of certification has been less debated. Yet, there have been cases of products being accused of not being sustainable because they did not carry a specific certification.

This has been the case in Germany for tuna products failing to carry the Dolphin Safe certification by the Earth Island Institute. In 2011, the German retailer EDEKA was targeted for selling yellowfin tuna quoted to be 'dolphin deadly' by the German counterpart to the EII, *Gesellschaft zur Rettung der Delphine*. They were targeted on multiple levels through the German television and online campaigns. As a result, in 2012 this supermarket changed their buying policy to stop sourcing any yellowfin tuna to avoid further dolphin deadly claims (see Miller et al (2014)).

The above case shows that today some labels have been accepted as “settled law”, regardless of their credibility or that of their alternatives, both due to the threat of negative publicity and a reluctance to change the status quo.

This tendency to equate specific sustainability merits with one label has also been witnessed with the rise of the MSC label. Hadjimichael and Hegland commented in 2016 that "when a label becomes so strong that it dominates the market, there is also the danger that the concept that the label is meant to be certifying (in the case of the MSC, sustainable fisheries), is appropriated by the label itself, thus the label becoming synonymous to this concept. The consequence of this is that the label can result in the monopolization of the concept of sustainability."

Examples of this monopolization of the concept can be found in recent events organised across EU Member States. The *Semaine de la pêche responsable* (week of responsible fisheries) in Belgium¹ featured the slogan "For our oceans, lakes and rivers, choose blue [MSC] or green [ASC]." Similarly, in October 2017 the city of Madrid had posters with the following message to passers-by: "Choose a sea full of fish forever – choose the blue icon [MSC]" .

¹ <http://www.semainepoisson.be/>

These rise in the commodification of concepts such as 'sustainable' led Hadjimichael and Hegland to note that "the rise of the MSC as the leading eco-label for seafood created a fear over access to markets, particularly in the fishing sector of a number of Western countries. For the three case studies presented here, access to markets appears to be the main reason for applying for MSC certification." The situation presented above regarding the dolphin safe logo shows similar patterns in that market access is granted under the condition of bearing a specific label.

CSR is becoming more and more important and the sector predicts an increase in the role of eco-labels over the medium term². In this context, DG MARE would like to obtain the following input from the MAC, based on the own experiences of its members:

- Information on the share of buyers that require products to be certified – if possible, also with which certification (i.e. how many business partners have asked for certified products? How many supply contracts have been lost due to lack of certification? Have new business relations had to be sought to counter this requirement?);
- Information on the share of fisheries being certified for market reasons, including planned certifications (e.g. to access new markets, to maintain a market/supply contract)
- Information on B2B practices regarding certifications (e.g. are certification a requirement in supply contracts or are they options in contracts to obtain better prices?)
- Information as to the availability of alternatives to certification (e.g. joint commitments, cross-chain cooperation);
- Information on the economic impact of buyers' purchasing strategies (e.g. are certification costs shared? Are non-certified products able to find alternative market outlets?).

DG MARE would appreciate any breakdown by product / product group if discussions in the MAC were to conclude that the situation differs across supply chains. DG MARE would like to stress that it does not seek input on the solidity of the individual eco-labels' or certifications' requirements and capacity to deliver sustainable outcomes, but that we are merely interested in feedback regarding the effects of certifications in terms of access to markets, and in particular any impact on the free circulation of goods within the EU's internal market.

References

Bailey M, Packer H, Schiller L, Tlusty M, Swartz W. (2018) "The role of corporate social responsibility in creating a Seussian world of seafood sustainability". *Fish and Fisheries*, 00:1–9.

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Miller, A. M. M., & Bush, S. R. (2014) "Authority without credibility? Competition and conflict between ecolabels in tuna fisheries". *Journal of Cleaner Production*, 107: 137–145.

² <http://www.eumofa.eu/documents/20178/84590/Annex+2+-+Stakeholders+survey.pdf/16057b8a-84f8-470c-b38d-ad1815dda9bb>