Strategic public action facing the expansion of voluntary sustainability standards: implications for sustainability of global value chains in Brazil and Malaysia

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Abstract

The emergence and rapid spread of voluntary sustainability standards are transforming the boundaries between the public and private regulation, particularly regarding tropical agribusiness value chains. Following agricultural deregulation and international trade liberalization in the late 1980s, agribusiness value-chains regulations through new governance arrangements rely on the “retreat of the State” rhetoric. However, although the growing influence of non-state actors in world politics looks obvious, States are far from being sidelined. The development of voluntary sustainability standards contributes further to a change of the role of the state, instead of their retreat. This contribution aims at characterizing these transformations of the public action resulting from voluntary sustainability standards, through case studies conducted in two countries: Brazil and Malaysia. To do this, surveys have been conducted on two value chains in Brazil (sugarcane and beef) and one value-chain (palm-oil) in Malaysia. The results show firstly that voluntary sustainability standards are far from operating alone. Instead, in various cases, their effectiveness depends on a strong public action, as shown by the success of the fight against deforestation in the Brazilian Amazon. Furthermore, our work shows that the emergence of private standards implies a deep transformation of public action. In Brazil, for instance, new technologies of government have been set. By conditioning access to credit on sustainability goals and putting pressure on retailers and manufacturers, the Brazilian government has forced the cattle industry to self-organize in order to set-up sustainability standards that will make them “politically acceptable” on the global markets. However, these standards do not target family agriculture or the informal sectors, for which the social and environmental issues remain significant. In Malaysia, however, many public actors have expressed resistance facing the changes brought about by the development of voluntary sustainability standards. These private standards have been considered by the government as barriers to free trade and a threat to the sovereignty of the State. Public action is then reflected in attempts at re-appropriation of private standards through the creation of national standards, in order to compete or circumvent transnational private standards. These transformations of public action reveal differentiated strategies of states to maintain a certain level of control on the regulation of industrial sectors that are increasingly constrained by private form of transnational environmental governance.

Keywords: voluntary sustainability standards, private governance, public action