Labels that tell stories: building bridges between producers and consumers

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Stories that are worth telling took time in the building. However, good ones can be told in a split second: looking at a sign within a label. The agenda of trade and environment is wide and polarized. For example, patents and transgenics, as well as other property and modern biotech related risks, are immersed in debates that have a tendency to dwell around dead ends. This presentation focuses on the *in situ* conservation of biodiversity through sustainable rural development, this helps to narrow the scope. Ecolabeling is not lacking polarized discussions but it has a valuable virtue: it is a debate filled with positive content and in-tent. Ecolabeling is about rationality in re-source use and consumption, about being true in our claims. It is a practice respectful of our fellow citizens in distant lands, and future times.

Ecolabeling

A characterization of ecolabeling is useful, a definition is harder to achieve and may be unnecessary. In strict sense it deals only with environmental issues. In a document on environmental labeling (EPA 1998) there is a useful scheme. "Labeling programs can be classified [based on who verifies as]:
First-party verification […] is performed by marketers on their own behalf to promote the positive environmental attributes of their products. […]. **Third-party verification** is carried out by an independent source […]. Labeling programs can also be characterized as **positive, negative, or neutral** […]. Third-party environmental labeling programs can be further classified as either **mandatory or voluntary**." Adding to this classification approach there are production and environmental sector that also have to be considered (energy, materials, forestry, foods, etc.).

This contribution will focus ecolabeling in a wide sense but in a narrow sector: labels that are about the diversity of rural landscapes, the *in situ* conservation of biodiversity, the sustainable use of biological re-sources and the viability of traditional livelihoods. In the end, these processes become products and services that nurture a growing number of urban citizens that should, for the sake of all, remain as culturally diverse as possible. The view is that labeling is part of wider market mechanisms that can promote diversity, traditional livelihoods and the sustainable use of resources.

Labeling principles are closely tied to those of trade marks: to be non deceiving, informative and to allow for the identification of the producer of a product. They are a "guarantee" to consumer, they pro-

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mote a corporate image that includes responsibility.

Thus in trade mark law and practice there is a tradition and a legal framework that should be carefully considered in the implementation of ecolabeling schemes. Their compatibility will help avoid views of ecolabeling as a non tariff barrier to trade.

Regarding the convenience of first or third party verification one has to consider culture. One rule for all won't work. Third party certification is linked to the perception of credibility in the statements in a label. However, first party certification can be as legitimate and precise as single malts, stilton cheese or maple syrup can achieve. The important issue is that either can be accountable if developed according to known and verifiable standards.

In the case of first party verification we must consider that it takes time to build an image, to create and retain the value of a label that offers a specific quality. This is the role of associations and regulatory councils that apply the principle of peer review among producers of the "same" product. These can be as general as "Cotton" or as specific as the "Espárrago de Huetor-Tájar."

Hazard related labeling is usually mandatory, as in pesticides. It is interesting to note that negative mandatory ecolabeling dominates in the USA. However, in our countries we are still well behind in this type of labeling and the enforcement of its consequences. Thus, in the agenda of developing regions and emerging economies mandatory ecolabeling and its enforcement should be promoted, not only to gain access to rich countries niche markets, but for the environmental health of our own societies. The "silent spring" is, in a sense, beginning for us and we should try to learn from experience in the developed world.

Fig. 1 Nopales in Tlalnepantla, Morelos. A stable price for a commodity exported mainly to Japan changed a landscape from annual tomato production to perennial cactus (*Opuntia* sp.) in the course of a decade. Mandatory negative labeling of pesticides is rarely and superficially enforced, with obvious health and environmental concerns.

The Glenlivet™ and other Glenlivets: old lessons on the public and the private.

It is important to state through an example that although ecolabeling is a "modern" issue, it is not without history or precedents when it is viewed in its wide sense.

One George Smith was first to apply for a license after whisky was legalized. The Glenlivet was its name, but other whisky producers where located in the same glen. So whose glen is it? And then came fighting

over the value of a name of a region. Other producers claimed their right but, as trademarks go, The Glenlivet had created a right of exclusivity. In the end, all retained the right to use the Glenlivet geographical indication associated with the specific trademark of their whisky.

Fig. 2 "The Glenlivet" distillery in Scotland. Behind it, a view of the collective glen.

A single malt is not only a product, it is the result of a landscape, its history of appropriation and a complex aging process. One that begun with the definition in common law of a process and a product: Scotch Whisky, shortly after a legal decision on the difference between a single malt and a blend was needed. Both legal definitions helped in the differentiation of Scotch from bourbon producers and other "imitators" worldwide.

Moon shining was coming to an end in England and it would take another 70 years to end it in the United States. Thus, a transition was made from the illegal to the legal in the 19th century and the beginning of the 20th for many products in regions of what are now called developed countries. This transition has only just begun in many developing countries, it is running fast in emerging economies, many resources are harvested without complying with environmental regulation: beware then of labels that deceive because of what the don't say.

Many countries and their markets are only beginning their regulation history. Moon shining has not come yet to an end in developing countries. However, in hundreds of places resources and products have the tradition and the prestige of long enduring processes and products that have stories that are worth telling.

A finished product labeled by the producer retains more value in its place of origin. It should be transformed, packaged and labeled there. Limited productions are a necessary consequence of denominations of origin and other geographical indications. This practice has a clear resonance with sustainability (Sarukhán & Larson 2001).

However, there is a threshold beyond which a product cannot be sustained with the productivity of one region. If markets demand more, then come the pressures of imitators and the need for vertical integration.

Single malts have contributed to a sustainable rural landscape and livelihood, over the centuries. Is it organic? It is fairly traded? Scotch lovers don't care much, it is not and information one searches for when

buying a single. However, I sense, although it is debatable, that single malt producers could easily comply with 21st century social and environmental standards. This is because they have already meet with century old agreements on product quality, decency in labeling, consumer confidence and labor standards.

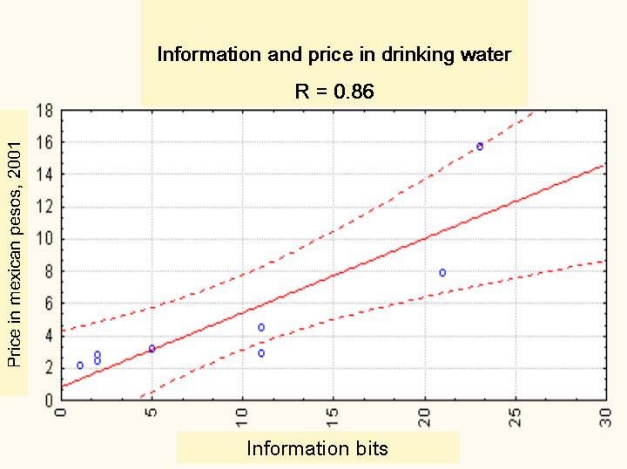
Thus, regulations and standards developed in the matrix of common law came from the rights of citizens empowered in front of a judge, their right to the value of their product, their work and landscape.

Fig. 3. The Balvenie. Single malts reach the highest peaks in product differentiation and value addition. This is Bottle 42 of cask 80123, cask and bottling dates are also available.

Differentiation: notes on its intuitive meaning through drinking water

Water is as simplest as a product can get. Drinking waters are nonetheless differentiated by producers and consumers: it is more than H_2O and it is the result of a process. One hour in a supermarket in Mexico City in 2001, allowed for a simple exercise on the meaning of differentiation: 8 drinking water bottles belonging to 8 trademarks where available. The bits of "valuable" information relevant to the consumer where counted in each label. Meaningless statements such as "vital", "nature" and the like where eliminated. The bits of information where used as a predictor of the price of 250 ml of water.

Fig. 4. Drinking water differentiation. From "water" (1 bit) to San Pellegrino imported mineral prices ranged from $2 to $16 pesos.



Information content was positively correlated to price. It is obvious that this is a complex relationship that includes the real and perceived qualities and values of the product, as well as the image contributed by marketing strategies. Whatever the final cause of consumer choice and willingness to pay, in the end producers get a message through to consumers, or don't. This communication uses many languages simultaneously: stories, advertising, symbols and

signs, image and packaging. Above all, the claims used in this strategies should remain non deceiving and this is a basic principle of trademark law.

Corporate behavior has been on the bad news lately because of accounting responsibility. The credibility of self regulation got a severe blow in the process. However, it should be noted that self regulated rural producers do not have such a history of scandal, on the contrary the quality of their products has reached worldwide recognition in many cases.

On the other hand, ecolabeling is a means to enhance environmental, social and health related responsibility and accountability. It is of the utmost importance that claims in labels are legitimate, credible and informative to the consumer. It will help a lot if in developing countries they also meet basic environmental, food safety and labor legal standards. Thus, law enforcement of mandatory ecolabeling should remain at the top of social and environmental issues in developing and emerging economies.

There are wide variety of claims. Those of general content of the product and of product life cycles; of harvest or cultivation practices; of social criteria met in production and trade; and of health related information. Sustainability is a moving target as it includes many of this components and because it is a goal to reach. No wonder ISO 14021 includes among the banned claims: "achieving sustainability, because there are no ways of measuring this." (Consumers International 2000). Good point, but its components can be measured and verified one by one.

Different perceptions and needs

Confidence in labels is a problem of culture and law enforcement and the assumptions of governments, producers and consumers are very different by regions.

Developed countries have a history of state regulation that "guarantees" safety of products. A high percentage of Europeans assume that identity and origin labeling is a given. Across the Atlantic a certain lack of history and migration brought about "imitators." In a sense, in the USA everything is generic. However, USA consumers are confident of government supervision, they are even overwhelmed by regulation. On the other hand, the environmental costs of industrialization in developped countries has emphasized ecolabeling related to industrial products and their derived pollutants with more emphasis than rural products. Many of this they have labeled through geographical indications.

It is a paradox that in emerging economies deregulation begun even before regulation was in place or enforced. In emerging economies industry related ecolabeling is perceived as a non tariff barrier: in industrial and environmental terms the potential for pollution is high and basic mandatory third party enforced ecolabelling should be a priority in our countries.

Developing and poor country economies are still concentrated in rural produce.

Thus the timing of labeling and geographical indications agreements is crucial because "sustainability" is in the process of being built and the success of specific stories can rely on labeling. This a hot issue in trade negotiations in relation to agriculture. This is a discussion polarized by subsidies and can be perceived by many countries as a technical barrier to trade. However, in the long run, developing economies should not build their economies on copying products but in differentiating their own. Competitive advantages are to be found in ecolabeling and geographical indications.

In the case of Mexico, the tuna embargo brought around by the Dolphin safe campaigns has deeply marked government perception. It is seen as a non tariff barrier to trade and the same can be said about sanitary arguments. The example of dolphin safe tuna is commonly cited in Mexico in opposition to ecolabeling. This is not to say that all Mexican tuna is sustainable but to understand regulators perception of third party verification.

A similar perception of technical barriers to trade comes from geographical indications and the issue can be explained through the example of Manchego cheese. Spain´s denomination of origin is in potential conflict with Mexico´s generic manchego type cheese (that can hardly be called cheese, let alone be called Manchego). Mexican industry has been producing it for decades and the name and practices came from migrants.

Fig 5. Manchego cheese from la Mancha (a) and Mexican manchego (b).

Mexican manchego is neither sustainable, organic or fairly traded. Spain´s is not certified as such either. But they are clearly different and Mexican consumers are, in a sense, being deceived. Commercial interest by the dairy industry helps shape negative perception of geographical indications labeling. How will they react to ecolabeling? Its not hard to predict a negative perception. Thus, perception about ecolabeling is a huge problem. If labeling is positive, those that don't have it feel negative. If you walk into a supermarket and labels tell you positive attributes of products, by comparison you conclude that non labeled simi-

lar products are negative: unsustainable, unfair, have pesticides or conservatives, are artificial, etc. Some of this is true. On the other hand, ecolabeling can also be deceiving if it lacks verification.

Finally, ecolabeling has to meet the challenge set by the limits of consumer interest and knowledge. There is a limit to what can and should be said in a label. But that is not, in my opinion, for regulators to decide. On every area of the wide ecolabeling agenda, standards are badly needed to avoid consumer deceit.

Coffee from Mexico

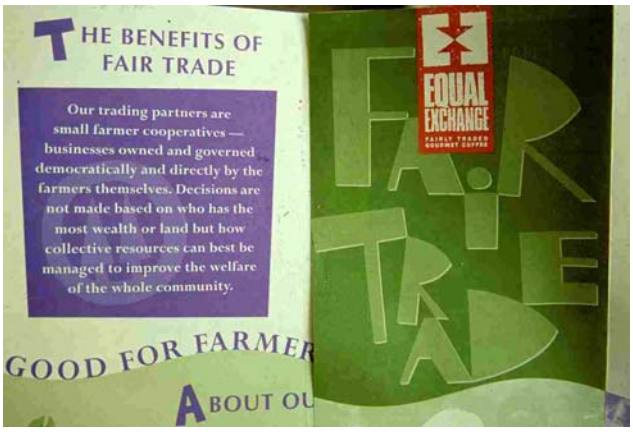
At the forefront of organic and fair trade world wide is the coffee of local communities and organizations in Mexico. Organic certification relates to both human health concerns (fertilizer, pesticide and conservatives abuse) and environmental issues (reduction of potentially damaging external inputs, soil, and water conservation). When coupled with fair trade it begins to sound as sustainable. However, it should be kept in mind that third party certification can be a heavy burden on producer organizations.

A good story says more than a thousand words so lets talk about the Unión de Comunidades Indígenas de la Región Istmo in southeastern Oaxaca, Mexico.

UCIRI: a well documented history.

A cooperative founded in 1983 in which more than 2,000 zapoteco, mixe, mixteco and chotal families are involved. Their birth is closely linked to the birth of the Max Havellar fair trade label (Roozen & Vander-Hoff, 2002). Through decades of work and change they have reached many of their goals, increments and stability in coffee production, price and family incomes. UCIRI is about people and the values that keep them together, it is about labor standards and regional benefit distribution. They have built human assets and enhanced their environment. A label cannot tell or create such a process: it is only a the final link of a complex chain that gives a "message" to the consumer.

Fig. 6. Equal exchange brochure with fair trade seal. They are one of UCIRI´s buyers in the United States.



It is interesting to note that withdrawal of state involvement in coffee economy was part of a process of empowerment of peasant and indigenous producers. Being outside the mainstream agroindustrial growth they where kept aside. Thinking po-

sitive, they where preadapted to organic certification because of the low external inputs involved. This process helped shape a wide effort of coffee growing communities and their organizations. In México there are dozens of experiences similar to UCIRI (Waridel 2002). One of them, the Unión de Ejidos de la Selva, Chiapas, was recently recognized with UNDP´s Equator Initiative prize related to sustainable development experiences.

Related to organic and fairly traded coffee, the bird friendly *expresso* is on its way. In contrast to open sun plantations those that keep or recover a shade with diverse tree species can contribute to bird and other wildlife conservation. Many of this species migrate and the specificity of their wintering sites could eventually reach specific areas of consumption (CCC 2001).

Community based forestry

Many of community based forestry projects in Mexico have been certified by the Forest Stewardship Council, an organization that set its first headquarters in Oaxaca, the selected place was not random. Community forest management in this Southern State has worldwide and national recognition. Although they have now moved to Bonn, Germany to improve communications, their initial statement of location was positive towards developing regions efforts. Nowadays 37 communities and "ejidos" are certified in six different States and adding up to 647,321 hectares (CMCSS, com. pers.). This surface is close to a 0.5% of the overall forest covered land in Mexico, it may sound small but well managed areas are growing fast within third party certification as well as in legal extraction harvest and management practices that remain without certification.

The challenges that this communities are facing go beyond timber. The diversity of non timber forest products (hundreds of species with particular management needs) and the particularities of environmental services need specific criteria of sustainability. As mentioned before, basic environmental, wildlife and forestry regulations need to be met before ecolabeling can be though of or implemented. In a sense, voluntary ecolabeling can help enforce mandatory regulations through a market incentive.

Pacific spiny lobster

On the Pacific Ocean fisheries are under strong pressure both from industrial harvest and local and regional small fisherman cooperatives and free riders. The Federación de Cooperativas Pesqueras del Pacífico Norte is working together with Comunidad y Biodiversidad A.C. in the verification by Scientific Certification Systems of compliance with Marine Stewardship Council standards (see Rainforest Alliance and MSC web pages for further information). Part of the life cycle of the lobsters is realized within a protected area relevant to marine mammal conservation. Work is moving on other marine resources in the Carib-

bean. A positive outcome of the process and a legal recognition in national and foreign markets will be very important to the sustainability of this projects. In addition, their labeling as geographical indications will help in defining those with legal interest in the development of resources and products that are harvested legally and packed with care and responsibility.

Ecolabeling in megadiverse countries

If ecolabeling is challenging for develop economies and industries, both urban and rural, then picture the complexities of labeling in countries whose count of useful biological resources runs in the thousands. In particular, non timber forest products are at the crossroads of conservation and development.

An example of a collective trademark on the building that relies of first party verification but will allow for third party certification in the medium term, is that of "Mezcal Papalote de Chilapan." It is a geographical indication on the making that has as its principles to not deceive their consumers as they are looking at long term development of a high quality product. They have also been working on the legalization and sustainability of the extraction and management of maguey papalote (*Agave cupreata*), their basic biological material. It is, as UCIRI´s experience, a process that begun in the 1980´s, deepened in the 90's and is beginning to mature in the 00´s. The label will only reflect a hard won and needed recognition.

Fig. 7. Label in the building. An image by Isaías Guzmán, local artist, that describes a landscape and seed management (a) and a picture of the landscape of the maguey papalote in Guerrero, Mexico (b).

Producers and consumers are also citizens

How far can we go and how much information will consumers receive. How about "jaguar friendly tropical mayan rain forest fairly traded melipona honey." Difficult but possible. The sky is the limit. And this is precisely why we need multilaterally recognized minimum standards on ecola-

beling, certification and collective trade marks, and geographical indications. How many seals and how much information can a product withstand? This is for producers and consumers to decide. Let the market decide, if it is free.

The issue is that different types of production and consumption have their own rights. There should be a place for all, the sustainability sensitive consumer and producers are only a part of the market place.

Whether we want it or not ecolabeling is here to stay, and in all its forms: first and third party verified; positive, negative and neutral; mandatory or voluntary. If we don't agree to common standards it will be mayhem for regulators, verifiers, producers and consumers alike. The basic rationality should be multilateral, the overhead should remain to countries and their citizens to decide in time.

Fig. 8. A basket made by nahuatl women. Their project seeks conservation of their biological resource base and they begin their differentiation.

Underlying ecolabeling is our long term ability to sustain viable rural and urban societies. A balance must be reached. Environmentally and socially sensitive production and consumption are growing. Denying them rights will not help, recognizing them allows for standards to be developed. This standards go beyond trade related rights. Ecolabeling is about the exercise of rights on biological resource use and biodivertsity conservation, about sustainable development, intellectual property, intangible collective assets and global commons.

Responsible and empowered citizens on the production and consumption end of the line need information and education. Labels can contribute a great deal. If they are not promoted and supported widely, let's at least not blow away the bridges that communicate producers and consumers in their common citizenship interest.

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