



Transparency, Participation and the Consumers' Right to Know

ANPED Policy Paper to encourage sustainable consumption and production

To "improve the quality of life for everyone within the Earth's carrying capacity" is the core interest of Agenda 21 and all those who care for sustainability. Given the insight that only limited resources are available to fulfil this goal, it is necessary to develop societies which are less consumptive via different and more effective production and consumption patterns. To reach this goal is not only a question of scientific or technical improvement; it is foremost a question which values drive societal development and of political will to make the necessary changes.

It is transparency that will make sustainability a "public" topic and will enable consumers to verify industry's commitments to sustainability. It will enhance competition among enterprises for more sustainable production methods, and it will make sustainability a quality factor that cannot be done away with any more.

At present, sustainable consumption continues to be dealt with as something "private". In contrast, sustainable consumption should be made a priority for politics, businesses and consumers. To achieve this, the following set of political actions is required:

Consumers' right to know about the sustainability aspects of products and services shall be recognized by national, European and international legislation

At present, consumers and consumer organizations in most countries do not have a right to information about the way products and services are produced and about the environmental and social effects connected with the production process. Two arguments are often raised against "right to know" legislation but can be invalidated:

"It is too expensive." But: Under a "right to know" legislation the supplier should only be obliged to disclose the information he has available. He should **not be held liable to investigate information** about the production process. If there is a question which he cannot answer, he should be obliged to forward it to parties further down the production chain. Experience from the environmental sector suggests that the information requests will be well manageable – but a small number of consumer requests will still have a large market impact.

"It impairs business secrets." But: There is **no legitimate interest of business to keep consumers uninformed** on the grounds that consumers would switch to other suppliers if they knew about the unsustainable circumstances of production. Such an expanded notion of business secrets would lead to unfair advantages for suppliers using unsustainable production processes. A narrow exception could be allowed for patents and other unique processes.

Stakeholders shall be involved into decision making

Developing sustainable patterns of consumption and production essentially requires participation by consumer groups as well as environmental and social NGOs.

- With regard to **political decisions**, stakeholders shall participate in sustainable consumption and production strategies being developed and implemented. For example, a

strategy for strengthening regional agricultural production and consumption chains will be successful only if there is a comprehensive dialogue between all groups concerned, e.g. local farmers, business and consumers.

- With regard to **business decisions**, stakeholders shall be involved into CSR strategies being developed. Also CSR reports shall be evaluated by independent institutions, with consumer organizations, environmental and social NGOs being given the opportunity to comment.

Support and financing of participation structures

It is a common experience that the public interest in the protection of environmental or a consumer interest does not automatically result in strong and financially potent NGOs pushing for sustainable consumption. There is a need for **civil organizations** in the field of sustainable consumption and production being **supported ideally and financially**. Since NGO participation in decision making procedures is a public interest, a viable solution would be to reimburse NGOs the expenses (at least partially) of such participation activities.

Develop and provide effective transparent and verifiable consumer information tools relating to sustainable consumption and production.

A "right to know" legislation is required to grant consumers effective responses to individual requests. The framework of consumer information instruments is, however, much broader, and all the different instruments have to be used, depending on the kind of information to be conveyed.

- **Mandatory labeling:** Information that all or most consumers think to be relevant for their decisions should be labeled on the product and included in product descriptions. This applies to genetic modifications of food and to energy consumption of cars or houses.
- **Voluntary labeling:** Additional information about specific positive sustainability aspects of a certain product or service (organic food, recycled paper, fair trade coffee) will be labeled voluntarily since suppliers expect competitive advantages. However, a wild growth of self-declarations and company-owned sustainability labels will mislead and confuse consumers. Therefore there is a need for independent labeling schemes such as the Blue Angel, the Nordic Swan or the European Flower label. Such independent labels should be developed for a broad range of products, and they should be promoted for intense use.
- **Certification and accreditation:** For CSR strategies labeling is not the right instrument, since CSR is a management instrument relating to a company as a whole and not to specific products. Here certification and accreditation should be used to allow for independent controls and to create reliability of the information conveyed to consumers.
- **Impartial testing:** For both product-oriented and management-oriented approaches to sustainability impartial testing is an essential tool to convey more complex information than is possible via labeling. For CSR strategies in particular, impartial testing is vital for making individual companies comparable with regard to their sustainability performance.

Recommendations for NGO action and advocacy

- Lobby for better legislation to promote the **consumers' right to know** about sustainability aspects of products and services.
- Lobby for **participatory approaches** being adopted in political decision-making and in business CSR activities.

- **Make use of opportunities to participate** in political and business decisions with regard to sustainable consumption and production, coordinating actions among consumer organizations, environmental and social NGOs for sustainable consumption and production.
- Lobby for **ideal and financial support of NGOs** to allow them to participate in decision-making with regard to sustainable consumption and production.
- Reveal cases of “**greenwashing**” and initiate legal actions against **misleading “green” advertising**.
- Promote development and use of effective, transparent, reliable and verifiable **consumer information tools** relating to sustainable consumption and production.

More information can be found:

<http://www.label-online.de/>

<http://www.fair-feels-good.de/>

<http://www.oeko-fair.de/>

<http://www.learnline.de/angebote/agenda21/links/konsum.htm>

<http://www.eco-label.org/home.cfm>

<http://www.sustainable-investment.org/>

<http://www.tradelabel.org/> <http://www.eurosif.org/>