Book Review

Renckens, Stefan. 2020. *Private Governance and Public Authority: Regulating Sustainability in a Global Economy*. Cambridge: Cambridge University Press.

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Private Governance and Public Authority by Stefan Renckens is a detailed account of European Union (EU) regulation of private sustainability standards in different sectors. It is a valuable book that gives insight into the interplay between public and private regulation.

Private sustainability standards are governance initiatives by nongovernmental organizations (NGOs) or businesses, setting voluntary standards for sustainable conduct by firms. Often external auditors will assess compliance with the standard, after which producers can put the standard's label on the product. These standards are sometimes unregulated, and at other times, governments set procedural or substantive requirements for standards in particular sectors. The variation in government intervention is what this book aims to explain. The case studies in the book address organic agriculture, biofuels, fair trade, and fisheries.

Private sustainability standards can be completely unregulated. An actor can simply set a standard, certify producers that live up to this standard, and label the products as sustainable. It is up to the consumer to determine whether to trust this standard. Though standards could be a useful tool to reduce information asymmetries and therefore make a market in sustainable products possible, this usefulness can be undermined by a lack of substance of and trust in these standards. In addition, a proliferation of standards leads to confusion on the side of consumers and limits market access for producers, who might have to comply with many different standards.

This all limits the potential positive benefits private standards can have. These problems could be solved by government intervention. Governments could verify the credibility of these standards or regulate private standards to facilitate market access. Renckens addresses the interesting and relevant question of when governments get involved. The book presents two hypotheses: that governments intervene when it is in the interest of domestic producers and intervene when the private governance market is too fragmented.

Renckens distinguishes two types of government intervention. The first is the creation of substantive rules, for example, with respect to the production process or requiring that a standard be communicated via a product label. The second type of intervention is procedural rules. These are rules on the

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revision of standards, on who should be involved in setting a standard, on how compliance is verified, and on the relationship between the scheme and the auditor.

In organic agriculture and biofuels production, the EU has set standards and procedural regulations. In the areas of fair trade and fisheries, the EU hasn't intervened. For organic agriculture, the EU recognized the benefits of regulating the market for European producers. Setting regulation would let the EU, as one of the first movers, set the standard and would give EU producers a competitive advantage. Setting these standards fit with the EU's broader agricultural policy objectives.

Though the EU had initially created a market in biofuels, public concerns over the potentially negative environmental impact of biofuels required the EU to set a sustainability standard to maintain credibility and support for the sector. The EU used a meta-standard approach in which it approved private schemes that were compliant with the EU's sustainability standard.

Fair trade, on the other hand, did not provide any benefit for EU producers. Also the standards market was not perceived as being fragmented, as each of the standards—Fairtrade, Rainforest Alliance, and Utz—had its own individual identity and was seen as providing meaningful variation rather than fragmentation.

The fisheries industry has the problem of fragmentation, with too many different labels. So far, government intervention has continuously been postponed, however, awaiting an update of the EU's common fisheries policy.

The value of the book is in its extensive descriptions of the political process around regulation of private sustainability standards. The book does a lot more than simply testing the aforementioned hypotheses. It gives insight into the origins of the private and public standards, shows how the development of private standards is sometimes interlinked with the development of public standards and how private standards at times form the basis for public standards. Private standards are often not bottom-up initiatives but are developed in an interplay with government regulation. This is particularly apparent in the description of the biofuel sector, which provides insight into the nature of private standards.

On the other hand, because of the rich descriptions, the hypothesis testing is somewhat buried in the details. Also, the causal mechanisms could be more developed. The EU might particularly take producer interests into account when regulation can improve their competitive position vis-à-vis foreign producers. Fragmentation is a problem, as it undermines the very purpose private standards could serve, namely, reducing information asymmetry. Also, multiple standards can be costly for domestic producers who have to live up to a multitude of standards. Standard setters like to see their standards "mainstreamed." How producer interests and fragmentation link to government interference, however, could be further specified. It is not always clear how producer, standard setter, and consumer interests translate into government regulation.

Private sustainability standards are private governing organizations in their own right. This book adds a layer of complexity by looking at standard setters in their role of interest group. In some cases, private standard setters lobby for government regulation, and in others, against. For example, in the case of organic agriculture, it seems that increased harmonization, via the International Federation of Organic Agriculture Movements (IFOAM), actually led to regulation, because it could function as an overarching potential lobbying organization. The Marine Stewardship Council (MSC), on the other hand, lobbied against public regulation, based on materialist grounds, even though it arguably would contribute to MSC's stated cause. It is unclear, however, who the main interest group is and how private standards relate to business- or consumer-related interests. Because of the diversity of private standard setters - NGOs, businesses or sector organizations - it would be interesting to know whether all private standard setters lobby or whether some are more likely to do so. Also, fragmentation is solved not only by public regulation but also by private regulation in the form of overarching programs such as the International Social and Environmental Accreditation and Labelling (ISEAL) organization or by benchmarking of individual standards. It would therefore be useful to know when standard setters choose the public, and when the private, route. Also, the following question remains largely unanswered: do these standard setters lobby to extend their standard setting business, or is this a battle over ideas, values, and a better world?

The EU as a case might not be so representative, as its position as a supranational authority is quite unique. It seems the EU's main concern is to avoid private standards interfering with the free movement of goods in the EU's open market. In other countries, this "disguised" protectionism might not be seen as a problem. The book's findings, though interesting and relevant, might therefore not be representative of public intervention in private governance in the rest of the world.