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*Implications for global value chain governance*

Fransen, L.; Kolk, A.; Rivera-Santos, M.

*Published in:*  
Multinational Business Review

*DOI:*  
[10.1108/MBR-08-2019-0083](https://doi.org/10.1108/MBR-08-2019-0083)

[Link to publication](#)

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*Citation for published version (APA):*  
Fransen, L., Kolk, A., & Rivera-Santos, M. (2019). The multiplicity of international corporate social responsibility standards: Implications for global value chain governance. *Multinational Business Review*, 27(4), 397-426.  
<https://doi.org/10.1108/MBR-08-2019-0083>

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# The multiplicity of international corporate social responsibility standards

## Implications for global value chain governance

Global value chain governance

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Luc Fransen

*University of Amsterdam, Amsterdam, The Netherlands*

Ans Kolk

*University of Amsterdam Business School, Amsterdam, The Netherlands, and*

Miguel Rivera-Santos

*Babson College, Wellesley, Massachusetts, USA*

Received 3 August 2019  
Revised 9 August 2019  
Accepted 16 August 2019

### Abstract

**Purpose** – This paper aims to examine the multiplicity of corporate social responsibility (CSR) standards, explaining its nature, dynamics and implications for multinational enterprises (MNEs) and international business (IB), especially in the context of CSR and global value chain (GVC) governance.

**Design/methodology/approach** – This paper leverages insights from the literature in political science, policy, regulation, governance and IB; from the own earlier work; and from an inventory of CSR standards across a range of sectors and products.

**Findings** – This analysis' more nuanced approach to CSR standard multiplicity helps distinguish the different categories of standards; uncovers the existence of different types of standard multiplicity; and highlights complex trends in their evolution over time, discussing implications for the various firms targeted by, or involved in, these initiatives, and for CSR and GVC governance research.

**Research limitations/implications** – This paper opens many avenues for future research on CSR multiplicity and its consequences; on lead firms governing GVCs from an IB perspective; and on institutional and market complexity.

**Practical implications** – By providing overviews and classifications, this paper helps clarify CSR standards as “new regulators” and “instruments” for actors in business, society and government.

**Originality/value** – This paper contributes by filling gaps in different existing literatures concerning standard multiplicity. It also specifically adds a new perspective to the IB literature, which thus far has not fully incorporated the complexity and dynamics of CSR standard multiplicity in examining GVCs and MNE strategy and policy.

**Keywords** Corporate social responsibility, Governance, International business, Global value chains, Multinational enterprises, IB

**Paper type** Research paper



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All three authors contributed equally to this manuscript and are listed alphabetically.

## 1. Introduction

In the past decades, large numbers of different corporate social responsibility (CSR) standards have emerged, usually targeting, but also frequently including Multinational Enterprises (MNEs) that operate in global value chains (GVCs). While there is a substantive body of knowledge on global governance in CSR, particularly outside the business and management fields, the dynamics of the “multiplicity” of standards and the implications for MNEs are thus far understudied. Particularly because of the fact that CSR standards have been characterized as “new regulators” in global CSR (MSI Integrity, 2017), it is crucial to obtain a much better understanding of this multiplicity, which presents a challenge both for effective governance through CSR standard-setting and for MNEs and their GVCs. This paper provides new insights into CSR standard and GVC governance, and contributes to a more systematic understanding of the multiplicity of standards and standard-setters, and their interrelationships. It also specifically adds a new perspective to the IB literature, which thus far has not really incorporated the complexity and dynamics of CSR standard multiplicity in examining GVCs and MNE strategy and policy. Finally, the overviews and classifications may be helpful for clarifying CSR standards as “new regulators” and “instruments” to actors in business, society and government, in addition to researchers.

This paper is structured as follows. The next section gives a brief overview of existing insights on CSR standard and GVC governance from the political science, policy, regulation, governance and IB literatures, as well as the gaps in these bodies of knowledge. Section 3 subsequently explicates the varieties of CSR standards that are highly relevant for the study of MNEs. Seven different types of CSR standards and their characteristics, considering actors, geographic scope and degree of formalization are distinguished and summarized in a Table. Section 4 discusses the interactions between these CSR standards, and unravels standard multiplicity. It examines different types of standard multiplicity, gives illustrative examples for a range of sectors and products in which MNEs operate and explores the consequences for CSR standard governance and for lead firms and producers (summarized in a second Table). The final section starts by asking “quo vadis?”, discussing an emerging (counter-)trend towards de-standardization of CSR practices that results from the conflicting pressures associated with standard multiplicity. Furthermore, building on the contributions of this paper, it identifies areas for further investigation, emphasizing how to extend current insights on international CSR and GVC governance.

## 2. Currents insights on corporate social responsibility standard and global value chain governance

With the emergence of CSR, often labeled “private governance” (Bartley, 2007; Brammer *et al.*, 2012; Rathert, 2016), in IB (for a historical overview, see Kolk, 2016), scholars have devoted more attention to the rules that delineate firms’ behaviors via so-called ethical codes or CSR standards (Langlois and Schlegelmilch, 1990; Kolk *et al.*, 1999). CSR standards can be defined as the substantive rules that determine what is considered responsible behavior by business with regard to one or more social, environmental and ethical concerns, including human rights (Fransen and Kolk, 2007, p. 668). They can apply to different elements relating to firms’ GVCs, such as the promotion of fair and safe working conditions, the social and environmental implications of operations, and/or the establishment of equitable transactions promoting economic development. As such, they codify appropriate behavior for larger cohorts of firms (Child and Rodrigues, 2011). The multiplicity of initiatives involving a variety of local, national, regional and international actors has, however, led to contestation between different actors seeking to pursue their own interests (Bair and Palpacuer, 2015; Levy and Kaplan, 2008). For example, governments sometimes try to reestablish national

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governance bodies where nongovernmental CSR standards used to prevail (Hospes, 2014). Similarly, MNEs operating in different parts of the GVC, such as upstream vs downstream, may compete for the dominance of their particular standard, potentially even presenting their respective standards as rivals (Dentoni *et al.*, 2018; Fransen, 2011).

In spite of a thriving literature on global governance in CSR, especially published in disciplines other than business and management, scholars are only beginning to understand the dynamics of this multiplicity, including how standards differ in types and participants, as well as across sectors and product categories. Exploring this multiplicity in more detail is essential, as it can not only provide important insights into CSR governance itself but also has important implications for firms, especially in GVCs. Existing studies highlight most often detrimental (Fransen, 2011), but also sometimes beneficial (Overdevest, 2010), consequences of CSR standard multiplicity for CSR governance, but these studies work under an overall implicit assumption that multiplicity has a similar set of (mostly undesirable) effects across sectors (Biermann *et al.*, 2009). In parallel, studies focusing on case studies find standard overlap, standard incongruence, standard competition and races to both the bottom and the top as consequences of standard proliferation, but they leave open whether such effects are always associated with standard multiplicity or whether they may vary across sectors (Auld, 2014; Cashore *et al.*, 2004; Fransen, 2011; Reinecke *et al.*, 2012). Finally, we are just starting to understand the different drivers that explain the interaction across standards, which has important consequences for the nature of standard multiplicity, as researchers emphasize the role of competition among standard-setting bodies (Fransen, 2012), rivalry among standards controlled by developed-country versus developing-country actors (Schouten and Bitzer, 2015), and an increasingly complex interplay between governmental and nongovernmental standard-setting efforts (Abbott *et al.*, 2016). This paper seeks to fill these gaps in our knowledge from the perspective of CSR standard governance and its societal effects.

In addition, we note that much of the already existing body of knowledge around CSR standards and governance has not been fully incorporated into the IB literature thus far. Although there are studies on many aspects of international CSR (Pisani *et al.*, 2017) and several more generic articles on standards by IB scholars (Christmann and Taylor, 2002; Doh and Guay, 2004; Kline, 2000; Kolk and Van Tulder, 2005; Kolk *et al.*, 1999), empirical research in the key journals in the field has concentrated on only a few specific standards. Publications have often included ISO 14001 (Husted *et al.*, 2016), a voluntary standard which “provides organizations with a framework to protect the environment”, offering the option to self-determine or self-declare conformity, in addition to having it externally assessed or certified (ISO, 2015). Other work has, for example, analyzed self-promulgated corporate policy adoption of a child labor ban or of competitive employee benefits as a type of CSR focused on standards (Rathert, 2016). Older studies in IB journals focused on corporate CSR standards, such as codes of ethics or conduct (Kolk and Van Tulder, 2004; Langlois and Schlegelmilch, 1990; Van Tulder and Kolk, 2001). Overall, however, only a fraction of what is known on international CSR standards and governance has been able to find its way in the IB literature on this topic. This relatively limited integration applies even more to recent IB work on global value chains: existing insights from political science, policy, regulation, governance and IB literatures on CSR standards have not really filtered through in IB GVC articles, even though some recent papers have started exploring standards and supplier schemes (Strange and Humphrey, 2018), common behavioral norms, CSR capabilities and engagement of nongovernmental organizations (Kano, 2018). Our paper thus also aims to contribute to the current scholarly debates on MNEs and GVCs by presenting a novel perspective on CSR standards.

### 3. Identifying varieties of international corporate social responsibility standards

The current landscape of CSR governance is characterized by a large variety of standards, with some standards being sector-, product- and/or issue-specific, while others are more generic in nature. There are also different types of standard-setters, i.e. organizations that develop CSR standards, such as nongovernmental organizations (NGOs), governments or international organizations (IOs). The multiplicity of standards and the multitude of standard-setters has led to a stream of research focusing on the identification and analysis of CSR standards (Doh and Guay, 2004; Kolk *et al.*, 1999; Langlois and Schlegelmilch, 1990; MSI Integrity, 2017). Various types of such CSR standards can be identified, categorized according to their different attributes (Table I). In keeping with an IB perspective, our paper concentrates on international CSR standards, which implies that their prescriptions of appropriate behavior apply to cross-border business operations or transactions related to GVCs. Individual firm codes of conduct/ethics or business principles are not included; following the literature, we hold that most of the dynamics shaping appropriate business practices are taking place in collaboratively developed and governed types of CSR standards nowadays (Fransen and Kolk, 2007; O'Rourke, 2006).

Standard types	Characteristics	Target actor of standards	Geographic scope	Degree of formalization	Examples
IO standard	Governments and International organization staff develop standards	Firms	Global	Public soft-law	OECD Guidelines for Multinational Enterprises
NGO standard	NGOs set and govern standards	Firms	Global	Private and voluntary	NGO CSR Frame of Reference
Business-driven standard	Groups of firms set and govern standards	Firms	Global	Private and voluntary	Business Social Compliance Initiative; Responsible Care
Multi-stakeholder standard	Firms and NGOs set standards and govern from institutionally equal positions	Firms	Global	Private and voluntary	Forest Stewardship Council; Ethical Trading Initiative
Producer-country focused standard	Standards set appropriate behavior for production for the world market but within one producing country	Firms	Producer country level	Public soft-law or private and voluntary	Kenya Flower Council; Thai Labor Standard
IO-driven partnership standard	Governments, firms and NGOs in producer country specify and govern voluntary standards based on IO model	Firms and governments	Producer countries signatory to IO agreement	Public soft-law for producer country signatories	EU's FLEGT; ILO/World Bank's Better Work
Meta-standard	Standards prescribe what appropriate CSR standards should look like	CSR standard-setters	Global	Private and voluntary	ISEAL; GSCP/SSCI

**Table I.**  
Types of CSR standards<sup>a</sup>

**Note:** <sup>a</sup>See the Tables in the Appendix for more standards per type and per sector/product category

At first, the literature focused on distinguishing standards based on their standard-setters. Accordingly, a distinction was made between *NGO standards*, i.e. standards created by NGOs, and *IO standards*, i.e. standards created by international (inter-governmental) organizations. Both types of standards mainly serve as exemplary models for business practice, rather than as enforceable standards. Attention soon turned to *multi-stakeholder standards* (de Bakker *et al.*, 2019; Fransen and Kolk, 2007; Utting, 2002), which focus on the CSR aspects of global supply chains, and/or the production process of a specific good or commodity such as clothing, paper or coffee. These CSR standards have, at a minimum, business and NGO participants as developers and members, and their governance structure allows for an equal level of input among the different partners governing the standards. Most of these standards develop implementation programs and compliance instruments, often involving certification of products or firms as a sign of assurance. These collaborative types of CSR standards have drawn particular attention because of their potential for inclusive decision-making in the global governance of CSR (Boström, 2006).

Interestingly, the emergence of multi-stakeholder standards also led to studies noting how, in many sectors, such standards have to compete with new standards that also focus on appropriate business behavior in international production. These new standards were originally developed by groups of firms that wished to keep the influence of other stakeholder groups at bay, while imitating the elaborate implementation and compliance instruments of multi-stakeholder standards (Egels-Zandén and Wahlqvist, 2007). Scholars most often refer to such standards as *business-driven standards*, which are similar to “older” types of standards that were originally established by business associations (Van Tulder and Kolk, 2001). The literature has further classified such CSR standards according to their specificity (Kolk *et al.*, 1999), their relationship with international organizations (Green, 2013), their governance structures (Marx, 2013), the transparency of their decision-making processes (Auld and Gulbrandsen, 2010; Schleifer *et al.*, 2019a) or their inclusiveness (Fransen and Kolk, 2007).

Three types of voluntary standards have begun to receive particular attention over the past few years. First, standards with a geographically delimited scope, typically standards that focus on the national CSR practices for sectors in countries producing for world markets (Ramasamy and Garriga, 2009), are recently proliferating, even though they originally emerged in the mid-2000s (MSI Integrity, 2017). Their proliferation may be of significance because the literature on global value chains suggests that the power of firms in developing countries to influence the organization of production is increasing, and standard-setting efforts are likely to complement this trend (Bair and Palpacuer, 2015; Gereffi, 2014). Such standards can be called *producer-country focused standards*.

Second, CSR standards can be distinguished based on their degree of formalization. Such standards, which are typically established in partnership in developing countries and sponsored by international organizations such as the International Labor Organization, the World Bank and/or the European Union, can be called *IO-driven partnership standards*. The Better Work program and the Forest Legality Enforcement Governance and Trade Program (Cashore and Stone, 2012; Overdevest and Zeitlin, 2014), for instance, belong to this category. These standards differ from producer-country standards because of their embeddedness in IO programs, the corresponding reference they make to IO rules and treaties, and the supervisory role of governments/IOs over these partnerships. They also differ from existing IO standards in their degree of formalization and implementation at developing-country levels, and by the way in which they delegate decision-making on the

actual standard-setting to governmental and nongovernmental actors in developing countries, to ensure that programs fit with the local context.

Both producer-country focused and IO-driven partnership standards are compatible with international trade law, in the sense that they cannot be categorized as impositions of non-tariff barriers to trade through the use of social, human rights and/or environmental criteria for products. Economic transactions involving warring parties are exempt from non-tariff barrier categories, meaning that CSR standards focused on such human rights issues are admissible under the regulations of the World Trade Organization (Hauffer, 2012). In the case of socially and environmentally focused CSR standards, there is also no conflict with World Trade Organization (WTO) rules because the relevant parties all “voluntarily” develop, govern and endorse these standards, without foreign coercion in the legal sense (Overdevest and Zeitlin, 2014). Such instruments are thus different from sanctions that developed-country governments may impose on non-compliance with CSR standards, which could be an alternative route to formalizing CSR standards. Similar to producer-country focused standards, IO-driven partnership standards emerged in the 2000s, but have particularly proliferated over the past five years.

Third, we identify a type of CSR standard based on its function in promoting and prescribing CSR practices. These standards, which can be called *meta-standards*, prescribe behavior for parties setting actual CSR standards, rather than firms and other actors that are typically targeted by CSR standards. They seek to influence what CSR standards should look like in terms of their content, the process of maintenance and evolution after the initial adoption (Rasche, 2009), and their compliance models (Reinecke et al., 2012). The development of these standards is often motivated by the desire to reduce complexity for firms and other actors in the face of an increasing number of seemingly similar standards. Examples of meta-standards include the ISEAL Alliance and the Global Social Compliance Programme (recently renamed the Sustainable Supply Chain Initiative), which invite participation from CSR standard-setters.

In sum, this analysis identifies seven different types of standards: IO standards, NGO standards, business-driven standards, multi-stakeholder standards, meta-standards, producer-country-focused standards and IO-driven partnership standards. The reasoning behind the categorization of these different standards in the current literature (and in the broader field of CSR, see SSI, 2014; ITC/EUI, 2017) is arguably not analytically parsimonious: the first four standard types are distinguished through differences in governance, and the others through differences in geographic scope, degree of formalization and target of standard-setting respectively (Table I). But rather than regrouping these standards according to one uniform category of distinction (e.g. institutional positions of actors in governance), this study follows the literature and CSR professionals in arguing that distinctions along different dimensions of standards are important to accurately depict interrelations among standards and standard multiplicity in global CSR governance.

#### 4. Unraveling standard multiplicity: key types and dynamics

The large variety just identified (Table I) has resulted in a veritable multiplicity of CSR standards, which can be evidenced in a variety of business sectors (Cashore et al., 2004; Fransen, 2011; ITC/EUI, 2017; Reinecke et al., 2012; Schleifer et al., 2019b). A first dimension of multiplicity highlighted in both academic and policymaking literatures relates to the multiplicity resulting from *interactions between different types of standard-setting organizations*. This concerns, for example, the conflicting agendas of parties developing different CSR standards, both between developing and developed country actors, and

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between firms and NGOs; as well as the possible capture of voluntary standards through governmental efforts (Abbott *et al.*, 2016). Recent strands of literature have focused on particular forms of multiplicity, reflecting, to a large extent, the different types of interaction that may exist, including tensions between:

- multi-stakeholder versus business-driven standards;
- governmental versus nongovernmental standardization efforts; and
- developed versus developing country actor standardization efforts.

In Section 4.1, these three types of multiplicity and their implications for CSR policy and GVC governance will be discussed in more detail (see the upper part of Table II), illustrated with examples and highlighting ongoing academic and policy debates where applicable. This discussion is based on our earlier work and a broad inventory of multiplicity across a range of sectors and products (see the Appendix).

A second dimension of multiplicity, which is even more relevant for IB, is related to the implications of this standard multiplicity for producers, buying firms and consumers (i.e. *interactions between market actors*, further discussed in Section 4.2 and presented in the lower part of Table II). This multiplicity has mostly been depicted as a challenge for the effective functioning of standards (Fransen, 2011), although a few scholars have asserted that it could have beneficial results. For example, it could be argued that CSR standards focused on similar issues or production chains might learn from one another, thus resulting in better standards overall (Overdevest, 2010), stimulate a race to the top in a competition for the best standard for a given issue (Bernstein and Cashore, 2007) or mutually adjust so that they end up with complementary functions in standard-setting (Sabel *et al.*, 2000). Most scholars point to the detrimental effects of such multiplicity (Fransen, 2015; Marx, 2013; Overdevest, 2010), however, because of the confusion likely to arise when corporate buyers and end consumers have competing options for which approach to buying “ethically” or “sustainably” is most appropriate. Beyond the confusion regarding which standard to choose, such multiplicity is further likely to lead to overlapping and costly, or incongruently duplicating, implementation and monitoring policies at producer facilities that are subject to multiple standards (Schleifer *et al.*, 2019b). Finally, multiple competing standards can also result in a race to the bottom, rather than the top, where the most lenient standard receives most support from firms, resulting in weaker global CSR governance.

By highlighting these trends, the literature on CSR standard multiplicity has helped to shed light on interactions among CSR standards. Some studies highlight competition and its possible effect for the shape of standards in the long run (Cashore and Stone, 2012), while others emphasize complications that arise in implementing different standards in producer facilities (Fransen, 2011). In spite of these valuable insights, however, two main gaps remain in our understanding of CSR standard multiplicity, which we seek to address in the (sub) sections below. First, studies of standard multiplicity typically assume competition, complication and contention between standards, rather than investigating the more nuanced dynamic interactions that can exist between CSR standards (Biermann *et al.*, 2009; ITC/EUI, 2017). Not every sector where a multiplicity of standards can be found is necessarily characterized by contentious relations between standard-setters, or “race to the bottom” dynamics, or complications in implementation for the producers that are subject to multiple standards, especially in the context of global value chains.

Second, studies that do investigate interrelations between standards in more depth typically focus on a limited number of standards, or on single products and industries, while the dynamics, and thus the consequences for specific firms in particular nodes of GVCs, may



**Table II.**  
Types of CSR  
standard multiplicity  
and consequences for  
standard governance,  
lead firms and local  
producers

Type of multiplicity	Description	Consequences for CSR standard governance	Consequences for lead firms adopting standard (s)	Consequences for producers targeted by standard (s)	Industry examples
<i>Related to standard-setters</i> Business–society multiplicity	Business-driven and multi-stakeholder standards target similar CSR issues and firms	More or less society-inclusive form of standard governance?	Uncertainty about appropriate form of CSR governance, and about relation to firm's own stakeholder management	–	Forestry; apparel; toys
Government–nongovernment multiplicity	Governmental and nongovernmental standard-setting efforts overlap	More or less public form of governance?	Do government standards imply legal liability on CSR issues for firms? Do government standards restrict space for producers' own CSR priorities?	Do government standards imply legal liability on CSR issues for producers? Do government standards restrict space for producers' own CSR priorities?	Mining; forestry; agricultural commodities
North–South multiplicity	Developing and developed country actor standard-setting efforts overlap	More or less influence for developing country actors?	Risks of heterogeneity of sustainability criteria in supplier base as suppliers come from different countries with different producer-focused CSR standards; more power-sharing in governance of standards between Northern and Southern actors	More responsiveness of standard to producer needs; producers may have better chances of influencing this standard-setting than the one (s) (co-)developed by lead firms	Tea; flowers; palm oil
<i>Related to market actors</i> Buyer-faced multiplicity	Various standards available to corporate buyers or end consumers for standardization of a facet of CSR.	Lower effectiveness due to confusion and uncertainty among buyers	Transaction costs	–	Mining; agricultural commodities
Implementation and monitoring multiplicity	Various standards implemented and monitored at one producer facility	Lower effectiveness due to incongruence; lower equity due to rising implementation costs for producers that are subject to the standard	Transaction costs; problems reaching CSR policy targets	Confusion about/incongruence between standards; implementation costs due to multiplicity	Apparel; footwear
Competitive multiplicity	Various standards available that target similar CSR issues, firms and products	Lower effectiveness due to "race to the bottom"	Transaction costs	Lower sustainability impact due to race to the bottom?	Cocoa; coffee; apparel

vary significantly depending on contexts and peculiarities. In the subsequent examination of the different types of CSR standard multiplicity (in subsections 4.1 and 4.2), illustrative examples are provided from a range of relevant sectors and product categories in connection to types of firms. Subsection 4.3 contains the main takeaways that, together with [Table II](#), also provide a brief overview for those mostly interested in the implications for IB and GVC governance.

#### *4.1 Multiplicity types focusing on standard-setter interactions*

*4.1.1 Business–Society multiplicity.* Business–Society multiplicity refers to situations in which standards have many aspects in common in terms of focus, but vary in their decision-making process, as regards which groups get voice. In many sectors, this multiplicity implies a standoff between multi-stakeholder-governed and business-driven standards ([Dingwerth and Pattberg, 2009](#); [Fransen, 2012](#)). The apparel and forestry global value chains, as well as many of the agricultural commodities, are apt illustrations. The pattern in these sectors has traditionally been that the first CSR standard to emerge would be governed by a coalition of NGOs and businesses. Afterwards, additional CSR standards emerge, driven by businesses that often do not appreciate multi-stakeholder governance, or are critical of other elements of the first-emerging CSR standard.

Scholars contended that inclusive decision-making through multi-stakeholder standards benefits the global governance of CSR ([Boström, 2006](#); [Jenkins et al., 2002](#); [Börzel et al., 2005](#)), as input from various parties increases the quality of decision-making and governance of these standards. The resulting standards may also be more legitimate because multi-stakeholder decision-making ensures input from various interests and audiences, and more accountable to societal demands, if businesses in a multi-stakeholder setting talk about their performance and challenges with critical watchdog stakeholder groups. Empirical studies have claimed that multi-stakeholder governance of CSR standards is indeed considered the “gold standard” for standard governance, and most professionals involved in the field of CSR standard-setting activities would seek to adhere to this prevailing norm ([Dingwerth and Pattberg, 2009](#); [de Bakker et al., 2019](#)). Whether the consequence of this prevailing norm has been that most CSR standards practice multi-stakeholder governance in earnest or whether some CSR standards pay lip-service to the concept without actually allowing multiple parties a role in standard governance is still debated, however ([Fransen, 2012](#)).

Overall, business-society multiplicity results in divergence among CSR standard governance practices with regard to the inclusion of societal voices relative to business voices. [Schleifer \(2019\)](#), for instance, observes that standard-setters seeking to build CSR standards can choose from different configurations of design options for including societal interests in standard-setting governance: creating a mix of societal input, business input and expert input in decision-making, together with more or less elaborate designs for external accountability and opportunities for complaints and disagreements ([Marx, 2013](#)). Accordingly, a CSR standard like Bonsucro, focused on sustainable production of sugar in various GVCs, including those producing biofuels, offers a quite different approach to informing external audiences and inviting external scrutiny for its decisions on standard-setting than similar biofuels-focused standard organizations such as the Roundtable on Sustainable Biomaterials or the Roundtable on Responsible Soy.

In a recent literature review, [De Bakker et al. \(2019\)](#) emphasize that the study of multi-stakeholder standards could be advanced in various ways. One of their recommendations is to look at the multi-stakeholder quality of governance in a broader context, i.e. in interaction with other CSR standards and regulatory instruments. This includes an invitation to empirically examine in more detail what Business-Society multiplicity looks like in terms of

inclusiveness and accountability for a larger whole of inter-linked governance arrangements, rather than for multi-stakeholder standards as separate discrete units of governance.

*4.1.2 Governmental-nongovernmental multiplicity.* Government-nongovernmental multiplicity describes situations of multiple CSR standards developed by different parties on the scale from public to private, and with these CSR standards having a different status in law, as public or private. Scholars have explored the degree to which CSR standards developed by businesses interact with the new CSR standard initiatives taken by governments and international organizations, such as the guidelines developed by the Organization for Economic Cooperation and Development, the United Nations Human Rights Council, and the European Union (Glasbergen and Schouten, 2015). Examples of governmental-oriented standards include IO standards and IO-partnership standards, which can be found, for instance, in wood-based products. In this sector, where business- and/or NGO-dominated standards such as the Forest Stewardship Council and the Program for Endorsement of Forest Certification have existed for some time, new initiatives are now derived from EU-driven standards that are purportedly embedded in national government policies of various developing countries, and address not only industry behavior but also administrative and legal capacities of the state.

Due to their exemplary nature and lack of implementable policies, generic IO standards were long considered to have limited practical impact, both directly on firm behavior and indirectly on the behavior of other actors (including CSR standard-setters, see Kolk *et al.*, 1999). However, the recent voluntary Guiding Principles on Business and Human Rights of the United Nations Human Rights Council (often abbreviated as UN GP), in particular, have become an exception to this general trend. This is mainly due to the fact that the UN GP do not only describe the responsibilities of business in protecting human rights, but also target governments in their role as human rights protectors. Part of this responsibility is taking care of proper business regulation, and all UN members are therefore indirectly encouraged to think about the governance of market actors' behaviors that may have some bearing on human rights issue at home, or abroad, in global supply chains.

As a result, the *due diligence requirements*, described in the UN GP as the main activities expected from business in terms of human rights in supply chains, are increasingly also used in new government legislation targeting the multinationals hosted by these countries. Newly emerging regulations, which vary in scope, issue focus and the degree to which they are mandatory, have been developed or are in development in countries such as France, the USA, the UK and The Netherlands (LeBaron and Rühmkorf, 2017). The OECD is following the UN GP example and is creating both sector-specific and generic due diligence requirements for international business operations and the supply chains of MNEs. Governors of business-driven and multi-stakeholder standards are therefore, through national legislation and UN and OECD principles, pressured to develop policies that aim to show how their existing standards compare to due diligence requirements, or how their implementation and enforcement models compare to implementation practices as suggested by the UN or OECD (SAI, 2013).

Next to the UN GP and the wave of regulatory activity regarding *human rights due diligence*, international organizations also contribute to CSR standard governance by incorporating voluntary business or multi-stakeholder standards into policies addressing sustainable development issues. Through so-called *orchestration* (Abbott, 2017), business compliance with these standards is used as a sign of compliance with new inter-governmental directives. The use of multi-stakeholder and business-driven biofuels standards to demonstrate compliance with European Union environmental policy is a case

in point (Schleifer, 2013). This set-up of adhering to existing CSR standard practices ensures buy-in from industry players with new inter-governmental policy ambitions, while saving the international organization the effort of building its own system of compliance checks and penalty systems for businesses subject to the rules.

A question for both academics and policy-makers alike is whether international organization activity in the CSR standard world means that the CSR standard-setting landscape moves towards a model of more government intervention and relatively more mandatory requirements on businesses for their supply chains (Glasbergen and Schouten, 2015). Next to this, from a perspective on multiplicity of standards, the question arises whether the increased activities by international organizations are a prelude to convergence among a multiplicity of other types of CSR standards that may substantially align with the norms and principles set by IOs. Such a trend, however, may in part be counteracted by the type of multiplicity discussed in the next sub-section.

*4.1.3 North–South multiplicity.* *North–South multiplicity* refers to the co-existence of standards developed for production chains covering various regions, and standards developed for particular regions and countries that produce for global value chains, most often located in “the Global South”. Recent studies describe actors from emerging economies that develop their own CSR standards (Knorringa and Nadvi, 2016; Schouten and Bitzer, 2015), which can take the shape of newly emerging locally focused CSR standards. Such CSR standards potentially embody a challenge to “Global North”-dominated standards certifying sustainable practices. At the very least, they promote a world in which countries exporting goods can develop their own set of local standards, adapted to the idiosyncrasies of their ecosystems, legal systems and cultures, among others, within global value chains. The emerging literature on such standards signals that the weakness of CSR standards created mostly by actors from the OECD may be their tendency to create one-size-fits-all solutions for sustainability, while contemporary governance would be better off with a model that is adaptable to local conditions (Overdevest and Zeitlin, 2014). Multiplicity in this respect therefore reflects a situation in which producers and lead firms are faced with both locally adapted and more global generic standards, the former promoted by country specific-range of stakeholders, and the latter by a group of more globally oriented stakeholders. Proliferation of such multiplicity for lead firms that source products from across the world could mean having a supply base complying with a heterogeneous set of nationally varying standards, next to globally oriented standards.

So far, the literature has observed the rise of these locally oriented standards, and therefore the rise in such North–South multiplicity, in the case of several agricultural commodity sectors and in forestry. Producer-country standards play a role in particular when lead firms source from Chinese, Thai, Indian, Indonesian and Brazilian supplier firms. Notable also is the fact that a few producer-country standards are developed in collaboration with Western producers and NGOs, such as the Indian Trustea and the Indonesian Lestari standards for tea. In these cases, developed-country actors arguably pre-empt the need for a standard that is sensitive to local concerns and give local firms and NGOs from emerging and developing countries more buy-in in terms of governance.

Because of this, whether these newly emerging standards are challengers to existing CSR standards that have been developed mostly in Western countries is debatable, and it is unlikely that the new locally oriented standards will drive globally oriented standards out of the country. For some sectors and in some global value chains, the assumption about the challenger role may be correct (Dentoni *et al.*, 2018). In other sectors however, these new local-producer-focused CSR standards may essentially serve domestic markets such as the Indian, Chinese and Brazilian consumer markets, although they may also serve so-called

South-South traded goods, such as wood or coffee exported from Latin America to China, or tea exported from India to Brazil (Horner and Nadvi, 2018; Langford, 2018). Slightly less stringent standards may then fit a consumer base that attaches less importance to CSR norms. In the meantime, Indian, Chinese and Brazilian products destined for European and North American markets could still be covered by more stringent CSR standards designed and governed mostly by European and North American actors.

#### 4.2 Multiplicity types focusing on market actors

*4.2.1 Buyer-faced multiplicity.* Buyer-faced multiplicity refers to situations in which end consumers and/or corporate buyers are faced with various standards, which all standardize some aspect of the CSR agenda and/or some aspect of the production process, potentially resulting in confusion and uncertainty for consumers and corporate buyers. This includes the possibility that the CSR standards themselves focus on different issues, different parts of the production process, or different types of producers.

The mining sector provides an example of this type of multiplicity of CSR standards, emerging not only from a difference in focus among standards targeting sustainability issues in small-scale artisanal mining, and standards targeting larger industrial mining zones but also from a variance in issue focus. The Kimberly Process Certification Scheme is oriented towards identifying and excluding trade of diamonds financing warring parties. Other CSR standards in mining, such as the Responsible Jewellery Council, are however more oriented towards labor, environmental and economic developmental criteria in their standards.

Similarly, the Fairtrade movement has traditionally developed standards that:

- Substantively focus on developmental criteria at first.
- Target a particular sub-category of small producers.

As a result, in some commodity groups, Fairtrade standards have long been co-existing with CSR standards that are explicitly oriented towards larger producers and broader sustainability criteria, to which producers have to adhere. Examples include Utz Certified, Rainforest Alliance (now merged into one standard organization) and the Ethical Tea Partnership (Kolk, 2013). More recently, however, Fairtrade has also started to include verification and certification of larger production facilities for other commodities such as cocoa and tea and has revised its standards to also include broader sustainability requirements beyond only developmental ones.

Buyer-faced multiplicity ties in with discussions about many different product labels for CSR, food safety, health and other concerns. Some policymakers fear that if consumers are consistently bombarded with many claims about how products are “good”, “fair”, “healthy”, “safe” and “sustainable”, consumer support for standard-setting may be decreased rather than enhanced. CSR standard setters are therefore involved in debates and policy interventions that seek to distinguish what they call “credible consumer claims” from non-credible promises, labels and certificates that consumers are confronted with (ISEAL Alliance, 2015), and promote an agenda that decreases the number of claims about sustainability that consumers face on the shelves of supermarkets and department stores.

*4.2.2 Implementation and monitoring multiplicity.* Implementation and monitoring multiplicity refer to situations in which standards focus on similar issues, products and producers, and, as a result, the market actors subject to these various standards are faced with multiple demands and procedures for ensuring that they comply with standard criteria. This type of multiplicity therefore most significantly contributes to confusion when

standards are incongruent with one another, and to costs for producers being subject to multiple standard-setting efforts.

The apparel and footwear industries have been infamous for the phenomenon of monitoring multiplicity. In both sectors, the global dispersion and organizational disaggregation of the production process has resulted in suppliers trading with various buyers at the same time. When these buyers endorse different CSR standards, problems can emerge. Not long after the first CSR standards became operational in these industries, studies reported that apparel and footwear factories were visited several times by different auditors doing monitoring checks on behalf of different standard-setters and CSR schemes that were endorsed by different retailers and brands. This sparked discussion of so-called “audit fatigue” among producers being verified for standard compliance. “Audit fatigue” critics question the beneficial effect of factory and plant monitoring on the performance of suppliers in terms of social, environmental and developmental criteria (Pruett *et al.*, 2005). Also noted was the fact that producers were faced with differing demands based on standards having different criteria.

A recent policy discussion involving implementation and monitoring multiplicity is the debate around what constitutes a living wage in CSR standards set for labor-intensive low-skill manufacturing and agricultural production chains. The need for a living wage for workers has risen on the agenda of CSR policymakers, but a discussion about how to measure a living wage, and how to build a roadmap towards paying it in supplying factories and plants has been going on for some time. A scientific methodology developed by Anker has widely been adopted as an approach to measuring living wage (Anker and Anker, 2017), but a recent report describes that at the forefront of the corporate movement supporting implementation of living wage in CSR standards is a set of companies that endorse a multiplicity of possibly conflicting interpretations of how to pay such a wage (Edwards *et al.*, 2019). Beyond confusion, implementation and monitoring multiplicity also adds to the costs for the actors in the sectors involved. Schleifer and co-authors (Schleifer *et al.*, 2019b), for instance, describe how multiplicity in agricultural production chains poses challenges to producers, especially smallholders and small- and medium-sized enterprises. Transactions costs rise when producers are required to go through multiple verification trajectories for various standards, if they seek to sell their produce to different buyers or markets.

Implementation and monitoring multiplicity are often accompanied by competitive multiplicity, to which the next sub-section is devoted, but it does not necessarily imply competition among standards for business adoption or consumer recognition. Multiplicity in implementation and monitoring can be the result of one CSR standard that is offered to firms active in one consumer market, while another CSR standard focuses on firms active in another consumer market, but that these standards end up covering a similar supplier producer facility. Examples include standards that apply to GVCs in a raw material like cotton, which may be used for both athletic footwear and apparel, with both having different sectoral CSR standard-setting bodies. Similarly, soy can be used both as a food ingredient and as a biofuel, and the standardization of its production could lead to multiplicity as a result. In chemical production, plants that are similarly verified by multiple CSR standards may in the end be supplying to pharmaceutical production chains, but also other biochemical applications.

*4.2.3 Competitive multiplicity.* *Competitive multiplicity* refers to situations in which CSR standard-setters cater to similar firms as possible endorsers of their standards focused on similar CSR issues and products in a global value chain. To give an illustrative example, a retail firm, interested in standardizing human rights protection in a producer facility selling intermediate goods, for instance, is doubting whether to choose standard A, B or C,

recognizing that each of them offers a standard to the supply chain of retail firms covering human rights at such facilities. This type of multiplicity raises fears about a race to the bottom in which standard-setters make their standards more lenient to be attractive to firms, with the threat of lowering the effectiveness of CSR standard governance as a whole.

CSR standard-setters generally prefer not to emphasize that they sometimes compete for business endorsement and adoption of their standard. They would rather emphasize that each CSR standard brings something significant to an issue area, and that the impact of CSR standard-setting is therefore mutually advantageous and has complementary effects (Reinecke *et al.*, 2012). Nevertheless, empirical evidence in cocoa, forestry and apparel production, amongst others, does suggest that businesses switch from one CSR standard to another, when both have similar issue and producer focus (Cashore *et al.*, 2004; Fransen, 2012; Fransen, 2015). Moreover, representatives of CSR standard-setters have been known to competitively pursue similar large retailers and clothing brands for adoption of their particular standards.

The question of whether competitive multiplicity leads to races to the top or the bottom is quite difficult to answer. Studies addressing this question emphasize that its answer is quite sensitive to time, sector, issue area and the criterion in the standard that is analyzed for its “upward” or “downward” shift (Bernstein and Cashore, 2007; Fransen, 2012; Overdevest, 2010). In the case of CSR standards focused on forestry, for instance, an upward race has been identified in terms of environmental criteria in the standards that are related to international organization agreements, amongst other things. For CSR standards focused on apparel, both up and downward dynamics have been identified: downward in terms of time horizons for compliance and certificates verifying compliance, and upward for criteria on living wage.

A curious, paradoxical example of competitive multiplicity has been the evolution of multiple meta-standards. Meta-standards emerge to address challenges of standard multiplicity, and to counteract factors that challenge the effectiveness of CSR standards in general (Derx and Glasbergen, 2014). This means that through meta-standardization, amongst others competitive multiplicity and implementation multiplicity may be reduced through standard and process harmonization, and through support for agreements to mutual recognition among CSR standard-setters. Importantly, however, in various product categories, various meta-standards are applicable at the same time, thereby increasing, rather than reducing, competitive and implementation multiplicity. The two most frequently occurring meta-standard organizations are the ISEAL Alliance and the Global Social Compliance Programme (GSCP, now renamed the Sustainable Supply Chain Initiative, SSCI). ISEAL functions as a membership program for CSR standard organizations, stipulating what is considered appropriate CSR standard-setting in terms of standard development, governance, monitoring and evaluation. By joining ISEAL, CSR standards can refer to the respectability of ISEAL’s criteria of standard-setting as an asset. GSCP/SSCI is governed by large global retailers such as Wal-Mart and Carrefour, and aims for structured and externally verified comparability among different CSR standards for various product categories. By going through this benchmarking process, CSR standards can boost their attractiveness for product categories relying on these retailers.

#### 4.3 *Summing-up*

Differing types of multiplicity have different consequences for the various actors involved in, or affected by, CSR standards, with important implications not only for the global governance of CSR but also for MNEs, especially in GVCs. Buyer-faced multiplicity mostly affects the strategic considerations of corporate buyers and consumers. Implementation

multiplicity is primarily a cause for concern for producing firms subject to multiple standardizations, and for buying firms that have CSR policy commitments and find that this multiplicity lowers the effectiveness of standards. Competitive multiplicity is significant for all firms using these standards. Business–Society multiplicity and North–South multiplicity address the standards’ responsiveness to a variety of economic and political demands, but in very different ways. Governmental–nongovernmental multiplicity highlights tensions with regard to the standards relationship to the law and the state.

Similarly, different types of multiplicity affect the global governance of CSR through standards in different ways. As noted in Table II, all types of multiplicity may negatively affect the *effectiveness* of standards in terms of its promotion of CSR values, but in different ways: competitive multiplicity may lower the quality or legitimacy of standards (de Bakker *et al.*, 2019), implementation multiplicity can upset the implementation process, and buyer-faced multiplicity may confuse and possibly demotivate buyers seeking to adopt standards. Implementation multiplicity also negatively affects the *efficiency* of standard governance and, possibly, the *equity* of governance, as it increases the costs of implementation for those market actors that are subject to multiple standardizations up to the point where being subject to standardization becomes unattractive (ITC/EUI, 2017).

Identifying these types of multiplicity is therefore a first important step in precisely determining what standard multiplicity means for the governance of CSR in a given sector. But beyond the type(s) of multiplicity that can be observed, it is also important to examine the degree to which the standard-setters promoting these standards coordinate and collaborate, as well as the degree to which these standards are affected by meta-standard efforts to align their practices. For instance, an agricultural commodity may be covered by several CSR standards, but this multiplicity will not produce competition or complications in implementation if all CSR standards align with a particular meta-standard and agree to recognize the compliance of a producer with one standard as equivalent to the compliance with another standard. The approach presented here thus highlights the nuance needed when analyzing the dynamics of CSR standard multiplicity and its implications both for the governance of CSR and for MNEs, especially in the context of global value chains.

## 5. Discussion and conclusions

### 5.1 *Quo vadis? ongoing multiplicity – or de-standardization?*

The previous sections indicate a trend towards accelerating CSR standardization in GVCs: multiple standards add layers of rules on top of rules, with different legal qualities, and different ramifications for various parties, effectively prescribing and restricting the behavior of business and societal actors in both their productive activities and their efforts to create CSR standards. However, while studies identify a continuing, although slowly decreasing, pace in CSR standard proliferation (ITC/EUI, 2017; Schleifer *et al.*, 2019b), the literature also identifies a counter-trend in various sectors. This movement towards “post-regulatory governance”, or de-standardization of CSR practices, effectively points to two mutually reinforcing phenomena in global value chains (Grabs, 2018; Franssen, 2018; Dietz *et al.*, 2019; Ponte, 2019).

One key trend is that some *multinational brands move away from CSR standards* as devices to implement their CSR programs, meaning that they divest in getting their supply chain compliant with existing CSR standards. Instead, they invest more time and money in developing capability-building corporate programs, training and supporting suppliers to shift to more sustainable productive practices, rather than verifying their adherence to standards prescribing sustainable practices. Firms’ motivations to turn their back on standards have yet to be studied more carefully empirically, but, for now, at least two



hypotheses can be put forward. First, after some time, firms interested in CSR standards as devices for securing supply and decreasing risk seem to start considering these standards to be ineffective or too slow in contributing to their strategic goals, compared to other corporate capability-oriented approaches. Second, firms interested in CSR standards as a means to manage their reputation and increase market credibility find consumers and other stakeholders to be relatively unresponsive to existing CSR standards, certificates and product labels, so would rather advertise their own individual corporate efforts at creating a better world.

Furthermore, organizations that were originally the governors and owners of CSR standards increasingly *shift their activities towards activities in non-standard setting areas*, such as corporate consultancy, assistance in capacity-building activities, research and advocacy towards governments and International Organizations. Examples include the Global Coffee Program, Fair Wear Foundation and Rainforest Alliance. The literature identifies these shifts among some key multinationals and (former) CSR standard-setting organizations in the apparel, cocoa, coffee and tea industries. Here too, the motivations of parties originally mainly supporting CSR standard-setting deserve further study, and we can for now only offer the following clues based on exploratory study. First, some standard-setters have undergone a learning trajectory, which made them realize that many other interventions are needed next to CSR standards to achieve sustainable supply chains, and therefore invest in these other activities. Second, some standard-setters still rely financially on large donors such as governments and international organizations, and with these donors developing more of an appetite for other interventions than standard-setting activities, organizations follow donor preferences. Finally, in some sectors, CSR standard-setting organizations adjust to business preferences for other services and partnerships than standard-setting oriented ones.

### 5.2 Conclusions and contributions

This paper aimed to offer new perspectives on CSR standard and GVC governance, especially from an IB perspective and to contribute to a more systematic understanding of the multiplicity of standards and standard-setters, as well as their dynamics and interrelationships. It started with an examination of the degree to which new types of CSR standards, in particular from emerging economies, international organizations and meta-standard organizations contributed to multiplicity, and the dynamics of their emergence and functioning. We subsequently explained how the number of active standards in a particular sector does not necessarily imply competition and implementation problems among standards, as some product categories reveal complementarity among standards because they focus on different producers, issue areas and geographies, revealing the need for a more nuanced approach. It is also necessary to reflect on current trends, as there are indications for both continued and even accelerating CSR standard multiplicity, in parallel to a countermovement towards de-standardization, led by both firms and other standard-setting organizations.

This perspectives paper moves beyond previous studies that typically considered standard multiplicity to have mostly negative consequences across all product categories (Biermann *et al.*, 2009; ITC/EUI, 2017). It also extends existing insights by examining the different types of CSR standard multiplicity, their key characteristics and their implications for various types of firms and other actors to shed light on CSR and GVC governance. In doing so, we contribute to, and helps build bridges between, the political science/governance-related literatures on the one hand, and IB, on the other hand. The CSR angle additionally has an international development policy relevance that can further enrich the

GVC approach which, as Gereffi (2019) recently pointed out, spanned the public (society) and the private (firm) from the beginning. In our view, the IB GVC literature in particular should pay more attention to the specifics and intricacies of CSR standard-setting, as these are crucial for a proper understanding of the strategies of lead firms, for the way they interact with other firms and stakeholders, and for research on MNEs more generally (see below).

Additionally, this study also helps nuance current approaches in a few domains in IB. In their recent overview of MNEs from developed countries investing into developing economies, Luo *et al.* (2019), for instance, highlight the “insiderization” of MNEs, meaning the strategies MNEs can pursue after they have entered developing economies, as one of the main areas for future research. Our paper highlighted the wide variation that exists in terms of CSR standards, their multiplicity and their interactions, in different locations, global value chains and products, suggesting that future studies of “insiderization” should take into account the CSR standard dynamics surrounding the MNE’s particular activities and value chains. The importance of CSR in MNEs’ entry strategies in developing economies has been amply recognized, meaning that understanding the specific dynamics around CSR standards can prove crucial as MNEs seek to “insiderize” their activities to adapt to the often very divergent local contexts in which they operate.

Moreover, the approach taken in our paper can also help diagnose the type of challenges that specific product categories (exemplified in Table AI in the Appendix) may face due to a multiplicity of CSR standards, and what actions may be taken to counteract such challenges. First, and importantly, multiplicity is all but absent in a large array of product categories and global value chains, signaling that proliferation of CSR standards in product categories is not a defining feature of CSR standard-setting. Second, confusion and uncertainty among buyers is likely to emerge in product categories with buyer-faced multiplicity, but without competitive and implementation multiplicity, which decreases support for CSR standard-setting activities. Third, in product categories with competitive and implementation multiplicity, coordination is needed to prevent decreased effectiveness of standards, and inequitable distribution of costs along the value chain that result from implementation overlap. Meta-standards could address this issue, but as mentioned above, their current multiplicity may make things more difficult. Finally, among product categories characterized by competition between multi-stakeholder and business-driven standards, the question emerges of how inclusive the prevailing model of CSR standard governance will be and whether it leads to equitable interest representation across the business-society divide, with important ethical implications.

### 5.3 Implications and areas for further research

Our paper opens many avenues for future research around *multiplicity and its consequences, both for research on GVCs and beyond*. For instance, it highlights the importance of CSR standards that are developed in emerging economies. Even though these newly emerging locally-focused CSR standards have been explored recently (Knorringer and Nadvi, 2016; Schouten and Bitzer, 2015), we are only beginning to understand the specific dynamics around those standards. In particular, it would be interesting to examine whether these “Southern” standards are predominantly focused on domestic markets, or on South–South GVCs, or whether they are connected to North–South GVCs. The answer to these questions has important implications, as the balance of power in the chains and the type of chains involved, for example, is likely to impact the way CSR is governed in these chains and how MNEs from both developed and emerging economies behave.

Similarly, the complex dynamics underlying the evolution of the multiplicity of standards (Fransen, 2011; Overdevest, 2010), the de-standardization of CSR practices

(Grabs, 2018; Fransen, 2018; Dietz *et al.*, 2019; Ponte, 2019) and the emergence of local standards (Knorringer and Nadvi, 2016; Schouten and Bitzer, 2015) can be expected to have important implications for discussions of environmental and social upgrading by producers in GVCs, which are claimed to be redefining the contours of capitalism on a global scale in the twenty-first century (Gereffi, 2018). The question of the relationship between CSR standard multiplicity and environmental and social upgrading strategies is linked to questions about how the costs for compliance with standards are divided within GVCs. It is often feared that most of these costs are pushed down to producers, while benefits accrued through consumer price mark-ups stay with buying firms. Further research could unearth how multiplicity could enhance or diminish, what Ponte (2019) has termed, the “sustainability squeeze”, by either enhancing costs or offering more room for bargaining for producers in GVCs.

Furthermore, the impact of the emergence of UN guidelines and their potential adoption in several countries (LeBaron and Rühmkorf, 2017) is still not fully understood, given their recent development. Yet, such guidelines could have important implications for the way in which MNEs approach GVC governance, as they are likely to modify the dynamics and impact of multiple standards in some product categories. A relevant question here is whether increasing requirements concerning information, monitoring and remediation of human rights risks transforming MNE supply chain management, possibly in the direction of supply chain rationalization and more buying-MNE control of what gets produced by whom and where. Authors have identified that through both multiple CSR standardization efforts and de-standardized CSR efforts, many of the largest MNEs that are known as frontrunners in CSR have transformed their supply chain and risk management practices (Dauvergne and Lister, 2013; Ponte, 2019). Due diligence regulation as an off-shoot of international organization standardization efforts could mean that such transformations proliferate across sectors, given that most due diligence regulation targets not just subsets of firms, but rather all firms active in a market, registered in a country, or listed on a particular stock market.

The many aspects highlighted in this paper also have implications for current work that is more specifically focused on *lead firms in GVCs*, from an IB perspective. Strange and Humphrey (2018), for example, have recently argued that alternative governance arrangements (“between market and hierarchy”) within externalized GVCs can be described by using two main dimensions, i.e. the codifiability of information on the one hand, and the power asymmetry between the lead firm and its GVC partners, on the other. The authors put them in a two-by-two matrix (with low/high for each dimension) and characterize the four resulting quadrants as approaches by lead firms to exercise control. Interestingly, except for the low/low quadrant (labelled as “strategic alliance”), the other three quadrants (“direct coordination”, “embedded coordination” and “contracts with behavior controls”), for some of which they use examples related to CSR-related standards, can be substantially enriched and extended when incorporating the findings of our paper. Our approach, albeit focusing on CSR standards, can shed further light on the nuanced dynamics that may exist within the chain, as it shows the complexity of both information about CSR standards and the power dynamics among the many partners surrounding a GVC and entail a greater variety of dimensions.

In addition, this study provides insights that may be valuable for fine-tuning the relational perspective to GVC governance that already characterizes the GVC as being composed of the lead (or orchestrating) firm’s (direct) GVC partners as well as those “outside of the immediate value chain”, including NGOs and other intermediaries (Kano, 2018, p. 692). These insights will facilitate the development of a thorough understanding of the diversity

and combinations of CSR standard-setters that have become particularly important partners in GVCs in a range of sectors and product categories. However, our work has implications beyond “enlisting” these types of organizations (which Kano identifies as one of the six social mechanisms for GVCs’ orchestrating firms to economize on bounded rationality respectively bounded reliability, and to facilitate capability creation), and where CSR-related aspects clearly come to the fore. Beyond the role of partners, this paper’s approach may help to shed light on how firms can develop CSR-related firm-specific advantages (Kolk, 2010) built around such “stakeholder-mandated” capabilities (Verbeke, 2009). This applies to several of the other social mechanisms identified by Kano. For example, the “generating relational capital” and “multilateral feedback” categories (Kano, 2018, p. 693) contain several components related to norms, standards, expectations and communications, when seen from a CSR lens, and might thus also affect the interactions of the social exchange mechanisms as well as the nature of the orchestrating firm’s role as “GVC community leader”.

Finally, beyond the governance of GVCs, the implications of standard multiplicity for firms and how they can react to it is intriguing, and could advance our understanding of not only CSR standard multiplicity *per se* but also, more broadly, of *institutional and market complexity*, which may be most notable in emerging economies (Luo *et al.*, 2019). Institutional complexity emerges when a firm faces competing demands from different actors in the institutional environment (Greenwood *et al.*, 2011). As such, CSR standards can be viewed as the practical embodiment of demands emanating from one or several actors. Not only would the exploration of CSR standard multiplicity as a type of institutional complexity help to distinguish between implicit demands, such as norms, and explicit demands, such as standards, that come from institutional actors, but it would also deepen insights concerning competition versus compatibility between these demands, which our study highlights. Such follow-up research could further distinguish between different types and levels of enforcement, which could, in turn, provides important insights into how firms react to these demands as well.

In addition, the difference between various types of products across locations points to a need to further explore how the multiplicity of standards may be affected by differences across institutional contexts. CSR standards, as “new regulators”, provide a governance framework that is an alternative to formal forms of governance. As such, they can be theorized as a form of governance that fills institutional voids, often defined as a lack of formal institutional frameworks to govern transactions (Doh *et al.*, 2017; Khanna and Palepu, 2013; Parmigiani and Rivera-Santos, 2015), suggesting that different types of institutional voids are likely to be filled by different combinations of CSR standards. Recent research indicates that institutional voids vary in their form and impact (Doh *et al.*, 2017), and in the role played by different market actors and other stakeholders to fill them (Ge *et al.*, 2018; Webb *et al.*, 2019). Our study underlines the importance of recognizing the dynamics between different stakeholders to understand how institutional voids can be filled. The exploration of the multiplicity of CSR standards, of their competitive or non-competitive interactions, and of their variation across both product-based and location-based contexts, albeit focused on CSR, can provide another way to explore the complexity associated with institutional voids filled by different actors in parallel. Luo *et al.* (2019) point to the fact that, in some large emerging economies, it may not so much be absence of institutions, but their multiplicity, multi-directionality, instability and ambiguity, suggesting that the approach taken in our paper be fruitfully replicated to analyze these other types of institutional voids. Overall, we hope that this paper will entice scholars to investigate standard multiplicity in more detail and help shed further light on the dynamics and peculiarities of international CSR and GVC governance.

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## Appendix

To obtain a somewhat broader insight into the range of standards and their multiplicity, we relied not just on our own earlier work and existing studies, but also on an analysis of 115 current CSR standards collected for this purpose. Following the distinction made in [Table I](#) in the main text, these were 8 IO standards, 8 NGO standards, 32 business-driven standards, 44 multi-stakeholder standards, 7 meta-standards, 11 producer-country standards and 5 IO-driven partnership standards (see List of standards analysed at the end of this Appendix for a full list). The aim was to explore how CSR standards relate to each other in setting rules for appropriate business behavior in comparable sectors/products, and discover the extent to which different types of multiplicity are at play. We will give a brief explanation below; more information about the selection, classification and analysis of the standards can be obtained from the authors upon request.

The standards were first categorized by sectors, using the most generic level Standard Industrial Classification categorization. Subsequently, markets for product categories were identified within these sectors and specifically considered those CSR standards that are relevant to these products. As is common practice in the study of CSR standards ([ITC/EUI, 2017](#)), this method was followed to distinguish between productive practices more specifically, giving the opportunity to assess more clearly in what relation different CSR standards may stand to each other. The final boundary of a product category can be a matter of perception among firms. For the product categories covered by CSR standards, secondary literature sources were used to establish what constitutes such a boundary ([Conzelmann, 2012](#); [Egels-Zandén, 2014](#); [Fransen and Kolk, 2007](#); [Gereffi \*et al.\*, 2005](#); [Haufler, 2012](#); [Komives and Jackson, 2014](#); [Merk, 2011](#); [O'Rourke, 2006](#); [Ponte, 2014](#); [Raj-Reichert, 2011](#)). This understanding is influenced by trading and competitive relationships, and is therefore separate from the existence of CSR standards for such markets. As shown in [Table AI](#) below, some product categories are not established on the basis of end consumer products but on intermediate products, such as palm oil and soy. Yet in line with firm and expert definitions, these products demarcate a product category as a significant market in a sector.

Once that CSR standards focus on similar product categories was established, based on online policy document material, the existence of a relation between these standards was explored, including possible kinds of overlap that imply possible competition between standards, and/or complications in implementation. Such an analysis involved five different dimensions of standards:

- (1) which firms and markets are targeted by standard-setters as endorsers or participants of CSR standards;
- (2) which products or production processes the standards focus on;
- (3) what issue areas the CSR standards address, in terms of environmental, labor or human rights criteria;
- (4) what geographic focus is highlighted by standard-setters; and
- (5) whether the standards in effect concentrate on particular producer types.

With regard to the latter, the distinction between smaller and larger producers, but also possibly the variation in focus on particular nodes in the global value chain, are particularly important. On this basis, one can identify different types of multiplicity, with different possible consequences for standards as modes of CSR governance in the context of GVCs. In some sectors, only one or a few types of such multiplicity occur. In others, many of these types of multiplicity may be identified. Accordingly, the consequences for CSR standard governance and global value chains may vary in nature and could be more or less significant depending on the sector and product category.

Sector	Product category covered	Examples of standards (types included between brackets) <sup>a</sup>
Agriculture	Biomaterials	Roundtable Sustainable Biomaterials (Mu); ISSC (B); ISEAL (Me)
	Cocoa	Rainforest Alliance (Mu); CEN Traceable and Sustainable Cocoa Standard (Me)
	Coffee	Fairtrade (Mu); Rainforest Alliance (Mu); 4 C (Me)
	Cotton	Better Cotton Initiative (Mu); Cotton Made in Africa (Mu)
	Cut flowers	Flower Label Program (B); Fair Flowers Fair Plants (Mu); Kenya Flower Council (P); GSCP/SSCI (Me)
	Fresh produce	Rainforest Alliance (Mu); Fairtrade (Mu); GSCP/SSCI (Me)
	Palm oil	Roundtable Responsible Palm Oil (Mu); Indonesia Sustainable Palm Oil (P); GSCP/SSCI (Me)
	Soy	Roundtable Responsible Soy (Mu), ProTerra (Mu), Soja Plus (P)
	Sugar	Bonsucro (Mu); Fairtrade (Mu); GSCP/SSCI (Me)
	Tea	Rainforest Alliance (Mu); Lestari (P); Trustea (P); ISEAL (Me)
Construction	Building industry	LEED (Mu)
Chemicals	Chemicals	Responsible Care (B); UN Global Compact (I)
	Pharmaceuticals	Pharmaceutical Supply Chain Initiative (B)
Clothing, garments, footwear	Apparel	Fairwear Foundation (Mu); India Apparel Code (P); JO-IN (Me); Better Work (Id)
	Carpets/Interior garments	Rugmark/Goodweave (Mu); ILO Multinationals Code (I)
	Footwear	Fair Labor Association (Mu); BSCI (B); ILO Multinationals Code (I); Thai Labor Standard (P); JO-IN (Me); Better Work (Id)
Electronics	IT electronics	Electronics Industry Citizenship Coalition (B); ILO Multinationals Code (I)
Energy	Electricity	RECS (B)
	Oil and gas	Equitable Origin (Mu); Voluntary Principles (Id)
	Wind energy	Windmade (Mu)
Fisheries	Seafood	Marine Stewardship Council (Mu); Sustainable Seafood Coalition (Me); Friend of the Sea (N)
Forestry	Wood-based products	Forest Stewardship Council (Mu); LEI (P); PEFC (B); FLEGT (Id); ISEAL (Me)
Mining	Metals	Alliance for Responsible Mining (Mu); Extractive Industries Transparency Initiative (Id); Fairtrade (Mu)
	Minerals	Responsible Jewellery Council (B); Kimberley Process (Id); DDII (Mu); ISEAL (Me); iTSCI (Mu); RMAP (B); ICGLR (I)
Tourism	Tourism	Green Key (N); Global Code of Ethics for Tourism (I)
Toys	Toys	ICTI-CARE (B); ILO Multinationals Code (I); Thai Labor Standard (P)

**Table AI.**  
Overview of CSR standards across sectors and product categories

**Notes:** <sup>a</sup>I = IO standard; N = NGO standard; B = Business-driven standard; Mu = Multi-stakeholder standard; Me = Meta standard; P = Producer-country focused standard; Id = IO-driven partnership standard

As indicated in the main text, where different types of standard multiplicity are distinguished (see Section 4 and Table II), the vast majority of product categories deals with some form of multiplicity in their GVC; only a few product categories seem to be covered under one standard. However, the number of CSR standards identified for a product category should not be taken to mean that there is necessarily standard competition. Still, competition is a feature of CSR standard-setting in most of the product categories we analyzed, often accompanied by implementation multiplicity.

### List of standards analyzed

- (1) IO standards ( $n = 8$ ):
  - OECD Guidelines for Multinational Enterprises
  - UN Global Compact
  - Global Code of Ethics for Tourism
  - Food and Agriculture Organization Code of Conduct on the Distribution and Use of Pesticides
  - ILO Voluntary Multinationals Code
  - UN Guiding Principles for Business and Human Rights
  - Codex Alimentarius
  - International Conference of the Great Lake Region Mineral Tracking and Certification Scheme (ICGLR)
- (2) NGO standards ( $n = 8$ ):
  - Worker Rights Consortium
  - NGO CSR Frame of Reference
  - Principles for Corporate Social Responsibility: Benchmarks for Measuring Business Performance
  - Friend of the Sea
  - Green Key
  - Bird Friendly
  - Better Environmental Sustainability Targets 1001
  - Global Sullivan Principles
- (3) Business-driven standards ( $n = 32$ ):
  - Worldwide Responsible Accredited Production Program
  - Green Globe 21
  - World Federation of the Sporting Goods Industry Code
  - International Zinc Association Sustainability Charter
  - Cement Sustainability Initiative
  - Keidanren Charter of Corporate Behavior
  - GlobalGAP
  - Equator Principles
  - International Council Toys Industry CARE Process
  - Business Social Compliance Initiative
  - Calvert's Women's Principles
  - Electronics Industry Citizenship Coalition
  - European Telecom Network Operators Environmental and Sustainability Charters

- Initiative Clause Sociale
  - Program for Endorsement of Forest Certification
  - MPS Florimark
  - Best Aquaculture Practices
  - RECS International Quality Standard
  - Greentick
  - ICMA Ecolabel Standard Program
  - IVN NaturTextilBest
  - Flower Label Program
  - Responsible Jewellery Council
  - Veriflora
  - Cradle to Cradle Certified
  - Responsible Care Initiative
  - Fair for Life
  - Fair Labor Practices and Community benefits
  - Extortion and Bribery in International Business Transactions
  - Pharmaceutical Supply Chain Initiative
  - Ethical Tea Partnership
  - Responsible Minerals Assurance Process (RMAP)
- (4) Multi-stakeholder standards ( $n = 44$ ):
- Ethical Trading Initiative
  - Marine Aquarium Council
  - Fair Wear Foundation
  - European Leather and Tanning Code of Conduct
  - SA8000
  - Business Principles for Countering Bribery
  - Fair Labor Association
  - CSR in the European Sugar Industry
  - Rainforest Alliance
  - Roundtable on Responsible Palm Oil
  - International Council on Mining and Metals Sustainable Development Charter
  - Roundtable for Responsible Soy
  - International Cyanide Management Code for the Gold Mining Industry
  - Forest Stewardship Council
  - Fair Flowers Fair Plants
  - Roundtable on Sustainable Biomaterials
  - Bonsucro
  - International Sustainability and Carbon Certification
  - Better Cotton Initiative
  - Cotton Made in Africa
  - Aquaculture Stewardship Council

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- Union for Ethical Bioproducts
  - Alliance for Water Stewardship
  - Certified Wildlife Friendly
  - ISO SR26000
  - Made-By
  - WindMade
  - e-Stewards Certification
  - Natureplus
  - LEED Green Building Rating System
  - IFOAM
  - FLO
  - Equitable Origin
  - Alliance for Responsible Mining
  - Diamond Development Initiative International
  - Jeweltree Foundation
  - Marine Stewardship Council
  - Rugmark/Goodweave
  - ProTerra
  - Aluminium Stewardship Initiative
  - The Global Standard for Responsible Supply (IFFO RS)
  - International tin association Tin Supply Chain Initiative (iTSCI)
  - Alliance for Water Stewardship
  - Linking Environment And Farming (LEAF)
- (5) Meta-standards ( $n = 7$ ):
- JO-IN
  - Common Code for the Coffee Community
  - Global Food Safety Initiative
  - ISEAL Alliance
  - Global Social Compliance Program (GSCP) / Sustainable Supply Chain Initiative (SSCI)
  - CEN Traceable and Sustainable Cocoa Standard
  - Sustainable Seafood Coalition
- (6) Producer-country focused standards ( $n = 11$ ):
- Thai Labor Standard
  - CSC9000T (China Apparel)
  - LEI (Indonesian Forest Standard)
  - India Apparel Code
  - China Water Conservation Certification
  - Florverde Colombia
  - Kenya Flower Council
  - Indonesia Sustainable Palm Oil
  - Lestari Indonesia Tea Program

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- Trustea India Tea Program
- Soja Plus
- (7) IO-driven partnership standards ( $n = 5$ ):
  - FLEGT
  - Better Work
  - Voluntary Principles on Security and Human Rights
  - Kimberley Process Certification Scheme
  - Extractive Industries Transparency Initiative

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**Corresponding author**

Ans Kolk can be contacted at: [akolk@uva.nl](mailto:akolk@uva.nl)

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