Green Grades:
The Popularity and Perceived Effectiveness of
Information-Based Environmental Governance Strategies

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Abstract

Initiatives that use information to catalyze collective action have proliferated in recent years, and represent a significant shift away from more traditional governance strategies, such as regulation. This dissertation analyzes this phenomenon of "information-based governance" in the context of the environmental arena, where non-profit organizations, government agencies, and companies have developed a wide range of product eco-labels and corporate sustainability ratings to evaluate the environmental performance of products and companies. The dissertation presents several theoretical perspectives that highlight the underlying nature of this form of governance, and describes the characteristics of a sample of 245 of these initiatives that are relevant to the United States marketplace. It also presents data on the relative popularity of these cases and the degree to which certain characteristics are associated with such popularity. Information on the public's preferences for different types of eco-labels and green ratings is presented from a survey of over 500 respondents as well. The dissertation also discusses the perceived effects and effectiveness of these programs, based on 70 interviews with consumers and representatives from government agencies, non-profit organizations, corporations, and academic institutions.

In this dissertation, eco-labels and sustainability ratings are described in the context of their "information supply chains," which determine the issues they cover, the organizations they are affiliated with, the data they use, and the mechanisms by which they deliver their information. Data collected suggest that climate change and energy are their most commonly covered issues, non-profit organizations are their most common implementers, government agencies and corporations are their most common data sources, and certifications and awards are the most common form of the information they provide. The top two attributes preferred by the survey respondents were independence and transparency, although a minority of the 245 cases surveyed displayed these characteristics. More generally, the credibility of the data used by these

programs was more important to respondents than either the trustworthiness of the organizations or the importance of the issues covered. While popular cases showed higher levels of criteria and outcome transparency, they are actually less likely to use independent data. Programs that have been in existence for more than three years and are associated with non-profit organizations and government programs are also more likely to be popular, while programs that have media connections and cover pollution issues are less likely to be popular.

While the interview participants did not agree on an overarching definition of the effectiveness of these programs, they discussed several important dimensions of such effectiveness. The most commonly cited was improved environmental outcomes, and others included changes in consumer behavior, corporate behavior, and public policy. It was clear from these discussions that these initiatives can operate through multiple effect pathways that are not limited to consumer responsiveness. Indeed, these programs contribute to well-functioning democracies not only through the creation of specific public and private goods, but by providing information that is critical for citizens and their representatives to make wise decisions about society's priorities. Thus the accuracy of this information is critically important, and given its overall lack of transparency and independence, efforts are necessary to improve its accountability. The dissertation concludes with a discussion of recent developments in the field of eco-labels that represent different approaches to monitoring and governing these initiatives themselves.