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## Editorial

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**Biographical notes:** Gilles Grolleau is an Associate Professor of Economics in the Department of Economics and Sociology (UMR INRA-ENESAD, CESAER). His current work focuses on understanding information-based policies, notably eco-labelling issues and environmental management systems and the strategic use of environmental regulations. He published papers in journals such as *European Journal of Law and Economics* and *Kyklos International Review for Social Sciences*.

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## 1 Introduction

Firms have traditionally been compelled to improve their environmental performance through command-and-control or market-based instruments. Unlike these two previous generations of policy instruments, voluntary approaches<sup>1</sup> for environmental policy have been designed by practitioners. Indeed, voluntary approaches have been developed by policymakers and industrialists to provide pragmatic responses to new policy problems, namely the need for more flexible ways to achieve sustainability, and the need to take into account the rising concerns about industrial competitiveness and the increasing administrative burden after three decades of traditional environmental policies (OECD, 1999). Their recent development is considerable, leading some authors to qualify them as the third generation of policy instruments (Long, 1997). Despite potential benefits, the increasing use of voluntary approaches raises several issues and challenges, notably about their environmental effectiveness and their economic efficiency (Andrews, 1998; Khanna, 2001; Grolleau et al., 2004). These issues are especially crucial in the agricultural sector as they are widely used as a way to shape farmers' behaviour towards the environment. They have both supporters and detractors. On the one hand, voluntary approaches may take advantage of business expertise to reach a more cost-effective result, more quickly. On the other hand, voluntary approaches are sometimes considered as 'greenwashing' strategies to improve the public image of firms or to influence regulatory instruments in a sense favourable to the interests of industrialists.

The focus of this special issue is the development of voluntary approaches as an increasingly prominent driving force for regulating environmental problems in the agrofood and forestry sectors. Indeed, these sectors are increasingly pervaded by a plethora of voluntary arrangements that operate alongside regulatory systems. The purpose of this special issue is to penetrate theoretically and empirically the phenomenon of voluntary approaches in the previous sectors and to gather contributions from different disciplines. Despite the recent development of such approaches, sometimes designed

under different expressions, for example, cooperative, contractual, non-mandatory or negotiated approaches, there is still a lack of academic attention devoted to their analysis. Among other points, the contributions identify theoretical and empirical arguments in favour of, or against, such approaches and highlight policy implications such as conditions for making them work. The call for papers was very ambitious, welcoming a large array of themes. The result is more modest, but we trust that the papers in this special issue of *International Journal of Agricultural Resources, Governance and Ecology*, will be of interest to a broad range of readers.

## 2 Overview of papers included in this issue

The papers published in this issue deal with a *large variety of voluntary approaches in agrofood and forestry sectors*, such as Environmental Management Systems (EMSs), agri-environmental schemes, voluntary approaches addressing a specific environmental problem and ecolabelling schemes.

The paper of N. Gunningham (*Assessing the role of voluntary environmental management arrangements in agriculture: an Australian perspective*), maybe the most general one, addresses a crucial issue by exploring to what extent can and should policymakers rely upon voluntary management arrangements in agriculture to achieve their broader environmental objectives. Despite its Australian perspective, the lessons drawn by the author are valuable for other contexts.

The three following contributions deal with the use of EMSs at the farm level. The paper co-authored by U. Jayasinghe-Mudalige, A. Weersink, B. Deaton, M. Beaulieu and M. Trant (*Effect of urbanisation on the adoption of EMSs in Canadian agriculture*) examines the extent to which farming practices have adjusted to the presence of urbanisation in Canada. In particular, they compare the adoption rates for EMSs by farmers closer to urbanised areas versus those in more rural, isolated regions. The paper co-authored by G. Carruthers and F. Vanclay (*Enhancing the social content of EMSs in Australian agriculture*) analyses how social factors play an important role in the ongoing commitment to, and operation of, the EMSs. Social factors enhance the operation of the EMS, reinforce initial motivations and have major benefits for the farm business. The development of improved mechanisms for valuing social factors in agricultural contexts, better understanding of the roles of these factors amongst EMS certifiers and advisors, and more explicit acknowledgement of the importance of these factors on overall farm management is required. The contribution of A. Knierim (*Farm management systems and voluntary action: what can Germany learn from Canada?*) critically assesses the potentials of the German scheme with the help of concepts from organisational management, extension and motivational psychology. As a reference point, Canadian experiences with an environmental farm management system – the Environmental Farm Plan programme in Ontario – are presented and reviewed to stress useful lessons for the German policy scheme.

The paper of I. Darnhofer and W. Schneeberger (*Impacts of voluntary agri-environmental measures on Austria's agriculture*) reviews the changes in agricultural policy leading up to the implementation of the agri-environmental programme. Spatial, policy and institutional patterns favouring such a high participation rate are identified, highlighting the importance of understanding an agri-environmental programme in its historical and socio-political context.

The orientation of farming towards the provision of environmental amenities may be indicative of future farm strategies, which are increasingly focused on broader rural development activities.

The paper of S. Lupton (*Insurance regarding radical uncertainty – Approaches in France and in Germany for sewage sludge land spreading*) analyses the topic of insuring agents regarding unforeseeable risks, with the example of sewage sludge spreading in France and Germany. Until now, the economic literature has not analysed liability rules and insurance schemes for this type of radical uncertainty. This paper addresses this topic through the example of the sewage sludge spreading market, and the problem posed by the insurance regarding radical uncertainty: measures have been taken in France and Germany to cover farmers and other actors regarding unforeseeable risks of sewage sludge spreading. The advantages and limits of solutions are compared to draw insightful lessons.

Finally, the contribution of S. Costa and L. Ibanez (*Certification of sustainable forest management: differentiation strategies and asymmetric information*) analyses the consequences of SFM on the forest sector and social welfare. Using a vertical differentiation set-up *à la Mussa-Rosen*, the authors show that whatever management costs, product differentiation always increases the profits of wood suppliers as well as social welfare. However, the impact of SFM on consumer surplus is uncertain: SFM results in greater diversification but also entails a smaller quantity of wood marketed at the equilibrium. Associating a fixed certification cost to SFM reduces the number of wood suppliers turning to sustainable management. For a high certification cost, profits made by wood suppliers might turn out to be inferior to those made when only standard wood is marketed.

## References

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## Note

- <sup>1</sup>A precise definition or delimitation of 'voluntary approach' is beyond the scope of this introduction. Simply said, it is a catch-all term used to label a large variety of approaches where the regulated entities are not compulsory forced to meet regulatory requirements (Grolleau et al., 2004; Labatt and Maclaren, 1998).