

Crowd-Sourcing Sustainability in the Consumer Marketplace

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The submission proposes to create a universal, straightforward 1-5 star ranking system reflecting the sustainability of consumer products. This would provide important information for both consumers and producers, gradually removing goods with low ratings. Very large purchasers, such as big-box stores or governments, would have enough market leverage to unilaterally introduce sustainability ratings for the products they procure, introducing a low cost, and easily instituted global governance system. Producers, stakeholders, and customers would provide information for the sustainability profile for the product. The crowd-sourced information would create a Wikipedia-like dynamic, where user contributions continually improve the veracity and quality of the ratings, setting new standards for industry worldwide.





1. Abstract

The \$45 trillion-dollar consumer market—60 percent of global GDP—is the largest driver of human practices impacting sustainability. Governance of the market is diverse and decentralized: local and national governments and international treaties pose some restrictions through social, environmental and financial regulation. But the greatest influences, by far, are the billions of consumer choices made every day in the marketplace that determine what products thrive and how those products are produced. At present, an insignificant number of goods offer any insight into product sustainability. Consumers make purchases based on traditional indicators of product value like price, color, and brand but have no product-specific information on broader human values for issues like child labor, greenhouse gases, worker safety, or endangered species.

A straightforward 1-to-5 star sustainability rating on each consumer product (coupled with an in-depth sustainability profile) would harness the power of the market's invisible hand, efficiently steering manufacturers toward more sustainable practices precisely to the degree that global consumers are concerned about social and environmental issues. Sustainability ratings are a sophisticated and novel approach to system governance. They would tweak the global market with every purchase in the tiniest of ways, but multiplied trillions of times over, these small tweaks would transform the marketplace and change the world. Consumers could take sustainability into consideration with every item they purchase. Manufacturers would strive to improve the ratings of the products they make. Store managers could choose to stock only highly-rated products. Governments could use the information to improve their regulatory oversight.

The world's largest purchasers—entities like Walmart, U.S. government or the European Union—have enough market leverage to unilaterally introduce sustainability ratings for the products they procure, setting the stage for a global-scale governance system that can be implemented rapidly, fairly and at reasonable cost.

Several different mechanisms can be used to create credible sustainability ratings.

This proposal describes the novel approach of crowd-sourcing consumer preferences to reliably achieve a 1-to-5 star rating for each product. The approach engages consumers, large and small businesses, governments and social networks. It bypasses resource-intensive regulations and endless multilateral negotiations by creating a system that can be implemented quickly and that matures and expands over time to encompass the consumer market across the globe.

2. Description of the model

INTRODUCTION

The largest decision-making body on Earth is the global marketplace. Each day, seven billion consumers vote with their dollars — or euros, yen, rials, pesos, rupees — and decide the fate of millions of items. Consumers spend \$45 trillion each year — 60 percent of global GDP [1] — and their shopping choices collectively dictate the mix of products available in gigantic 'big box' stores and in small open-air markets around the world. They also dictate product attributes: the color



of clothing, the features on a phone, the design of an automobile or the styling on a pair of sneakers. These decisions are far from trivial. Consumer spending of about \$1 trillion a week dictates the raw materials to be mined, drilled, fished or harvested; the employment opportunities for hundreds of millions of workers; the demands on global transportation and energy infrastructure; the manufacturing processes that bring these products to market. To put it another way, these consumer choices shape our planet.

Currently, consumer decisions largely revolve around conventional product characteristics. A shopper buying a shirt, for example, can easily consider price, color, size, brand name, fabric and the overall look and feel of the item. Information on all these features flows seamlessly through the market along with the product itself. But in the “don’t ask, don’t tell” reality of the global economy, negative product information falls by the wayside. Was the shirt made with child labor? Is it dyed with cancer-causing chemicals? Is the factory where the shirt was made a...fire trap?...an outsized contributor to global climate change?...a large-scale polluter of the local community? Information on product features like these is simply not available for the overwhelming majority of items in commerce.

I believe that adjusting the information milieu of the marketplace — giving consumers easy access to information on product sustainability — is the surest, most efficient and most effective way to progress towards global sustainability. Information can be used as an effective, efficient and self-regulating governance mechanism for the the world’s supply of consumer goods. If it is true that Information is Power — and why wouldn’t it be true? — then the proper information in the marketplace has the power to improve oversight, strengthen accountability, humanize the workplace and make the world more sustainable for current and future generations.

The material that follows presents this concept in two parts: (1) the impacts of making information available on product sustainability, and (2) the mechanisms available to reconfigure the market so that it provides such information.

IMPACTS

Imagine every product on every shelf in every store around the world, and in every online shopping site, came with information on the product’s sustainability. It could be as simple as a sustainability rating, a one-to-five-star ranking of how conscientiously the product was manufactured, based on variables like environmental impacts, social fairness and economic empowerment. For the sake of discussion, assume that the rankings are accurate and credible and serve as a genuine reflection of a product’s global footprint (the section on Mechanisms discusses how to obtain such information and ensure its credibility).

What happens? How is the self-governance of the marketplace influenced by new information? What changes in the world once billions of shoppers buying countless snacks, clothes, electronics, toys, appliances, tools and so much more have access to sustainability ratings?

Start with yourself and your own shopping habits. If you’re trying to decide between two equally attractive, equally priced shirts, one with a 5-star sustainability ranking and the other with a 2-star ranking, would that difference make a difference? With all else being equal, it seems likely that anyone reading



this proposal probably shares enough concerns about our planetary future that the starred rankings would be enough to sway their decision towards the more sustainable product.

Of course, all things are not equal, as a rule. One shirt is pricier than the other, or more stylish, or from a favorite brand. The information on sustainability becomes one factor among many that influence a final consumer choice. And certainly, all consumers are not “equal”. Some will completely ignore any sustainability information attached to everyday products. A small percentage of shoppers may go to the other extreme, committed to buying only 5-star products whenever possible. For the vast majority of buyers, though, the sustainability rankings become one consideration among many as they make their shopping choices. At times, the sustainability ranking will weigh heavily in their final choice, and at other times, less so. Like the nutrition information on food products, sometimes shoppers give these careful consideration and other times simply say “Mmmm....donuts!”, and have all the information they need.

The sustainability stars are only a small tweak to the information milieu of everyday purchases. But that minor tweak would be a major influence when it is multiplied a trillion times over, purchase after purchase after purchase. Although the consumer market is subject to various regulations on matters ranging from product safety to worker salaries, it is largely a self-governing system that introduces new products and practices, and discards old ones, based on endless such tweaks to the flow of information about consumer preferences.

It’s important to emphasize just how different this shopping experience would be from the experiences we are all already familiar with. Consumers have almost no information whatsoever on sustainability attributes. Only a minute fraction of products bear meaningful labels like Fair Trade or Green Seal. There is a high hurdle involved in seeking out these products, akin to finding the labelled needle in the unlabeled haystack of consumer goods. Labeled products often come with a premium price that only a small fraction of shoppers can afford. A stroll through a Walmart store in Philadelphia, or a Carrefour in Dubai, or a street market in Nairobi will not reveal many products bearing such labels. In other words, sustainability information is not currently a factor in the vast majority of purchasing decisions.

The system I am proposing — a simple “star” system of universal sustainability rankings — means that every consumer, with each purchase they make, has an opportunity to “vote with their dollars” (or euros, rubles, etc) so that their human values regarding sustainability are reflected in their purchasing decisions. The information is freely and easily accessible. Assessing a product’s sustainability rating becomes as simple as taking note of a product’s price or color. Consumers can easily integrate sustainability into their decisions even in the absence of deep knowledge about individual issues such as climate change, worker abuse, or ecosystem destruction.

Influence on Other Actors

Of course, it is not just the end consumer who responds to sustainability ratings. Purchasing managers stocking the shelves of Walmart or any other store, large or small, will also take the ratings into consideration. While it seems unlikely that a store would commit to carrying only 5-star products (if the hot new holiday toy



only has 3-stars, stores will want it just the same!), purchasers would hesitate to carry 1-star products that would pose a risk to their reputation as a responsible corporate entity. Even if they choose to carry 1-star items, they might not display them on their shelves or in advertising as prominently as products with higher ratings — further small tweaks that begin to move the market in the direction of greater sustainability.

Manufacturers respond as well. Imagine the corporate boardroom conversations that take place if the latest Apple phone carries a 4-star rating, while Samsung gets 5-stars (or vice versa!). One manufacturer has a clear marketing advantage that the other will want to eliminate by improving their sustainability profile. In an honest system, improving their profile means nothing less than changing their manufacturing and sourcing practices to lessen their impact on the planet and its inhabitants.

Governments also will make use of the sustainability profiles. Although nations generally carry stringent laws on the books, prohibiting practices like child labor, slash-and-burn land clearing, or unrestrained pollution, enforcement of these laws is often lax or almost non-existent in many places in the world. The sustainability profiles will greatly improve the information milieu, pinpointing sources of particularly harmful practices and highlighting the circumstances that call for more engagement from local governments.

The Invisible Hand of Sustainability

Simply put, the ranking system is the invisible hand of economics working on behalf of sustainability. It is governance writ large, influencing a fluid marketplace that flows readily beyond the boundaries of individual countries, corporations and organizations. Just as the dynamics of the market eliminate unpopular colors, spur product innovation and adjust prices and supply — entirely based on consumer preferences — those same dynamics can now be applied to sustainability. To the precise degree that consumers across the globe care about issues like climate change, child labor, polluted water, and workplace safety, those cares and concerns become reflected in everyday purchasing decisions. Products with an undesirable sustainability profile begin to disappear from the market, while those with preferred attributes are commercially successful.

MECHANISMS

Two mechanisms come immediately to mind for changing the information milieu of commerce and bringing sustainability rankings into being. The first is the standard regulatory option — governance by fiat. Governments could require such information in much the same way nutrition information is required on food, country of origin information on clothing or mileage information on cars. The second option is the voluntary, consensus-driven approach that is typical of many multilateral international standards.

For example, GRI — the Global Reporting Initiative — has engaged with thousands of stakeholders on a process to craft uniform standards for sustainability reporting on a corporate-wide basis [2]. A similar process could be initiated to provide information on individual consumer products. These mechanisms, while they can be effective, are tremendously time-intensive and resource-consuming. GRI protocols have been taking shape for decades. Government regulatory programs are notoriously difficult to design and implement and in many parts of the world, effective oversight is lacking.



My proposal is a novel third option: use the leverage of giant purchasers and the power of an “information marketplace” to quickly create sustainability star ratings for millions of common consumer products. The ratings would be linked to more in-depth sustainability profiles and would have an organic quality in that rankings and profiles for each product would readily change as new information becomes available.

A few major entities operate on such a large scale that they have the ability to substantially influence the global market. Walmart, for example, has sales of around \$500 billion a year (or put another way, half a trillion dollars!) [3]. The United States government is similarly large and influential, purchasing about \$500 billion a year in goods and services [4]. Amazon.com in the U.S., Alibaba in China, the European Union — all of these entities operate on an enormous scale. Only one such entity needs to step forward and voluntarily implement a rating system in order to propel the global market in the direction of sustainability.

If Walmart were to mark all the products it sells with sustainability stars, then the 260 million customers that shop at Walmart each week would integrate sustainability values into their shopping choices exactly as described above in the Impacts section. Beyond that, though, the same products sold at Walmart are available from many other retailers and constitute a substantial fraction of the global consumer market. The product-specific ratings information available would not be confined to Walmart, but would be available to shoppers the world over as well as to journalists, bloggers, and anyone else with an interest. This spillover effect magnifies the influence of a system adopted by a single large entity so that the effect is felt globally through the entire market.

If a giant retailer like Walmart or Alibaba or a giant purchaser like the U.S. government or the EU were to implement sustainability ratings, it could unfold along many different paths. I will describe one path in detail, staying with Walmart as an example (though there are other options) in order to elucidate some of the possibilities.

Walmart could instruct its worldwide suppliers that as of a specified date, all products should carry sustainability rankings. Products without rankings will run the risk of being dropped from the Walmart line. At the very least, unranked products will not be featured in the company’s advertising, aisle displays, online specials, and so on. In short, manufacturers that hope to continue on as active suppliers to Walmart should actively begin to gather the information needed for a credible sustainability rating of one to five stars.

The type of information provided would be a combination of information elements identified by Walmart and additional information the manufacturer self-identifies as significant. For instance, Walmart may ask for basic identification information (facility name, address, contact information, etc) along with details on three sustainability issues: climate change, child labor, and toxic chemicals. The manufacturer reports on these three areas along with any others it deems important for consideration of its sustainability track record, such as conflict minerals, gender equity and protection of rainforests.

Walmart can also provide criteria for rating sustainability performance. For example, supplier adherence to Walmart’s list of restricted chemicals [5] would be



minimum acceptable performance, while the supplier's elimination of chemicals listed on Europe's Restriction of Hazardous Substances (RoHS) registry [6] and the U.S. Toxics Release Inventory (TRI) [7] would represent a higher level of sustainability performance vis a vis chemical use.

Shoppers would be able to view the full sustainability profiles for each product Walmart sells, detailing climate change, child labor and chemical information along with other attributes (if any) the manufacturer elects to describe. It's reasonable to assume, however, that the great majority of shoppers will not take the time to view the full profiles (if you've ever been shopping with your kids in tow, you'll understand why!) and will instead make use of the summary information represented by the overall sustainability star rankings.

It's important to understand how the stars arise from the raw information provided. Initially, manufacturers will be asked to self-assess their sustainability ranking. That is, each manufacturer will decide, for each product, whether it should have a sustainability rating of one, two, three, four or five stars. The assessment would be based on criteria specified by the system designer (in this example, Walmart) as well as by the best judgement of the manufacturer itself. Just as with students or employees asked to assess their own performance, manufacturers will initially be tempted to give their products highest marks. But the temptation is offset by an awareness that the rating needs to be justified in a detailed sustainability profile for the product, and that both the rating and the profile will be scrutinized by a discerning public. Unrealistically flattering scoring will be downgraded in time as the scores receive feedback from the outside world.

Sustainability Stars

The type of star rating I am proposing is already familiar to any online consumer. Shoppers at Amazon.com, Rakuten.com, or most other Internet retailers routinely see 1-to-5 star product ratings along with product reviews for items they are considering. Increasingly, the ratings are carried over to brick-and-mortar stores as well, so that shoppers browsing in the aisles see the same ratings as those browsing online. The ratings and reviews are supplied by consumers themselves. Shoppers view the average star rating for immediate feedback on customer satisfaction for a product, and may turn to the individual reviews for more detailed information.

The ratings and reviews provide useful insights despite the opportunities for "gaming the system". Retailers use several mechanisms to identify and remove (or never post!) flagrantly false "reviews". Visitors to a site can themselves rate a posted review as helpful or not (thumbs up or thumbs down), with the most useful reviews gaining increased visibility — a type of meta-rating that further refines the overall ratings/review process. Feedback from expert reviewers, or from reviewers with a recognized reputation for objectivity, can be given greater weight than input from unknown sources. It is not perfect, but it is a functional and valid feedback system. The end result is a product rating/review that provides important and useful information. [8]

Sustainability ratings would operate with a similar dynamic. The manufacturer would supply the sustainability profile along with the initial 1-to-5 star rating that would appear alongside the product:



<https://imgur.com/zJm5tYj>

Sustainability stars initial image

The stars would initially be grey to indicate they are the original manufacturer's self-rating. Once the sustainability profile receives an adequate amount of input, the rating would change color to indicate it now reflects public feedback:

<https://imgur.com/MJaCAeZ>

Sustainability stars based on public feedback

The feedback process is also familiar, as anyone could provide a star rating or post an informational review based on their own experience with the product. Feedback is not restricted to consumers. Factory workers, community activists, investigative reporters, sustainability experts — anyone with additional information to offer could add to the profile.

Suppose the sustainability profile from a supplier making t-shirts attests that no child labor is used to make their products. However, a commenter posts the following:

I am an investigative reporter for ABC News. My news team posed as potential clients and toured the factory making these t-shirts. We saw many 10-year old children working on the production lines.

The factory could respond to the claim:

This was the case in 2015, when the news team visited us. We have since changed our practices. No children are working in our factory.

This brief dialogue creates a fuller picture of the factory's practices. The best that can be said is that the plant is a recent convert to more sustainable practices regarding child labor. There is also a possibility that they are not being entirely open about the current state of affairs at their facility. The reporting system itself has created some ambiguity about current practices, but also creates a dynamic to identify and resolve any outstanding questions.

The inevitable question — “*Are they telling the truth?*” — far from being a shortcoming, is one of the long-term drivers of the sustainability rating system. Over time, manufacturers come to learn that posting false or incomplete information is self-defeating, as there are too many pathways available to challenge company claims. An increasing number of manufacturers will turn to outside entities such as third-party certification services or inviting the press and public into their facilities, in order to document the validity of their sustainability claims. The system drives forward an unprecedented degree of transparency about who is making what, and the circumstances under which goods are manufactured.

As new information is added to the mix, the star ratings are adjusted to reflect the improved information milieu. The adjustment, up or down, is accomplished algorithmically, based on the amount and type of feedback the product has received, as well as on a confidence level the system assigns to each commenter (e.g., comments from recognized sustainability experts would be upgraded while those from known “trolls” would be downgraded — most online rating systems rely on similar built-in mechanisms for sorting the wheat from the chaff).



The Marketplace as Information Processor

The mechanism I have been describing puts the market's incredible information-processing power to work on behalf of sustainability. Herman Daly and John Cobb, in their visionary economic treatise, *For the Common Good*, marvel at the market's ability to glean consumer preferences and produce hundreds of configurations of "the humble wood screw"—varying threads, materials, coatings, pitch, plating, head type, and screw size—precisely as consumers require. "For allocating resources among commodity uses," they write, "the market is the most efficient institution we have come up with thanks to its ability to use information." [9] A sustainability rating system based on simple star ratings as well as in-depth profiles, accesses the same marvelous "ability to use information" that Daly and Cobb so admired.

In essence, the sustainability rating system creates an information ecosystem that incorporates positive feedback loops allowing the system to evolve over time. It is an unusual, self-adjusting form of governance, but one that is entirely realistic and practical. It is akin to the type of self-regulating changes that occur in the commercial world, where consumer preferences elevate some products and dismiss others, or in the natural world, where 'survival of the fittest' determines who thrives and who vanishes. If the consuming public genuinely cares about an issue such as child labor, then the sustainability profiles work over time to include more detailed and more reliable information on this topic. The information, in turn, drives real-world actions that begin to eliminate child labor from the manufacturing process. (Conversely, if child labor is a topic consumers don't genuinely care about, then the information will gradually disappear from the system and the practice will be tolerated...but I prefer to believe this will not be the case).

In the example presented here, Walmart has required only a few specific details as part of the sustainability profile. The rest is up to the manufacturer creating the profile. But if the manufacturer wants its products to thrive in the sustainability ecosystem, it will have to respond to the consumer concerns expressed in the feedback for each product profile. Over time, each product gets tweaked to make it more desirable — that is, more sustainable — in an effort to improve its star rating.

The technology underlying a sustainability star rating system is straightforward. Retailers and web designers are already well-versed in soliciting user ratings and comments, distinguishing meaningful from meaningless feedback, and keeping rating systems simple to use and up-to-date. Online sites routinely manage product information and presentation for hundreds of thousands of products. Shoppers are growing increasingly familiar with using product ratings as a factor in their purchasing decisions. The sustainability rating system I have described can be implemented in fairly short-order and can quickly grow into a mature system. All that is needed is the will.

3. Motivation

1. CORE VALUES.

Decisions within the governance model must be guided by the good of all humankind and by respect for the equal value of all human beings.



The sustainability ranking system does nothing less than incorporate collective human values into everyday consumer choices. It empowers all consumers (i.e., all humankind) to identify commonly-held priorities for protecting people and the planet. It gives to each person, regardless of their station in life, the ability to influence the global marketplace. In a world where a factory worker in Bangladesh can easily (and anonymously) post information about working conditions that will influence shoppers in Kansas City, all consumers are on equal footing and accorded equal dignity.

2. DECISION-MAKING CAPACITY.

Decision-making within the governance model must generally be possible without crippling delays that prevent the challenges from being adequately addressed (e.g. due to parties exercising powers of veto).

A single large purchaser (as in the example of Walmart) can unilaterally introduce a sustainability ranking system. It can happen quickly on a modest scale (for example, applied to a single product category such as clothing) and can expand over the period of a few years to include all consumer products. The benefit of this approach is that the single entity is free to create the system without the protracted international decision-making process that can often paralyze progress. A single act of self-governance — the creation of a sustainability ratings — quickly spreads through the economic system to influence governance at every level and in entities of every type.

The drawback is that there are a limited number of entities of substantial enough size and influence to act as the initiator. The Global Challenges Foundation is in a good position to spark the dialogue necessary to bring the sustainability ranking system into being.

3. EFFECTIVENESS

The governance model must be capable of handling the global challenges and risks and include means to ensure implementation of decisions.

Two well-known systems operate in almost automatic fashion to self-adjust in the face of emerging risks and challenges. The first is evolution: populations evolve to adapt to new environmental conditions, with the dictates of natural selection creating a biological governance process. The second is the marketplace: supply and demand governs not only prices and production, but dictates the very types of products and services that can thrive in a global economy in the face of new technologies and consumer preferences.

The decision-making underlying the sustainability ranking system operates along similar lines, acting through a consciously-designed interface. It is a unique but very effective form of self-governance. Implementation occurs not from a top-down decision, but from the internal dynamic created by countless numbers of consumer choices. No committees have to convene, no international treaties need to be vetted. Each of the millions of products in the consumer marketplace must either respond to the sustainability values expressed by consumers or run the risk of market failure.

Eventually, the system will lead to highly-structured protocols as, for example, manufacturers seek to certify their accomplishments regarding climate change,



ecosystem preservation or child labor practices. But the system will begin to effectively address sustainability issues and document outcomes long before formalized protocols come into being.

4. RESOURCES AND FINANCING

The governance model must have sufficient human and material resources at its disposal, and these resources must be financed in an equitable manner.

The sustainability ranking system envisioned here calls for a large purchaser (like Walmart or the EU) to unilaterally jump-start the effort. This is both a strength and weakness of the proposal: a strength, because it bypasses the protracted decision-making so typical of any global-scale effort, but a weakness because it calls for an unusually bold effort from a willing entity.

Once the commitment is made, however, the resource demands are not especially large. The public access to the sustainability ranking system is a website detailing thousands of individual products; this is a familiar interface for most e-commerce sites and would be relatively straightforward to build and maintain. Each manufacturer participating in the system would have to bear some costs to document the sustainability traits of their products. These costs would be distributed throughout the private sector across the globe in an inherently equitable fashion. Large suppliers would bear larger costs and small suppliers would be minimally impacted.

Will the adoption of such a system raise costs to consumers? Maybe, maybe not. Competition often has counter-intuitive effects — raising costs for a manufacturer while lowering prices to consumers. Sustainability rankings may operate with a similar dynamic, improving the sustainability attributes of thousands of products without making the products more costly to the end consumer. (Interestingly, environmental regulations often have a similar effect, forcing firms to adopt more efficient manufacturing techniques in order to reduce waste generation, and saving the companies money in the process.)

5. TRUST AND INSIGHT.

The trust enjoyed by a successful governance model and its institutions relies on transparency and considerable insight into power structures and decision-making.

The internet has created new and surprising (and once again, counter-intuitive) mechanisms of trust. The underlying concept of Wikipedia — an online encyclopedia that can be freely edited by anyone — seems doomed to failure, yet has emerged as one of the Web's most valuable resources. Bitcoin, a new form of electronic money, relies on a decentralized accounting system to build trust typically provided by a central authority such as a bank or credit card company. Review sites like *Yelp* and *Rotten Tomatoes* create trustworthy ratings for, respectively, shops and movies despite the propensity of some people to post 'bogus' reviews.

The sustainability rating system takes advantage of these new tools and experiences to provide trusted information on product sustainability attributes. The system promotes a deep — one might say revolutionary — degree of transparency. Information that has historically been unavailable for individual products is now routinely provided. Even the most elementary questions, such as



“What factory made this product?” are not answered in our current marketplace, but would be readily available in a sustainability ranking system. Users can quickly view overall sustainability descriptions and ratings and can also do a ‘deep dive’ into the individual written comments. Those posting reviews can choose to identify themselves and their affiliations and experiences, and can also remain anonymous to protect themselves from retribution (e.g. for a factory worker posting about working conditions).

The rating system taps into the world’s most fundamental power and governance structure — the global marketplace. It’s true that ‘money makes the world go ‘round’ and the sustainability ratings involve themselves in the most fundamental mechanisms of that dynamic by influencing each set of decisions made for each individual product at each of the millions of suppliers around the world.

6. FLEXIBILITY.

In order to be able to fulfill its objectives effectively, a successful governance model must contain mechanisms that allow for revisions and improvements to be made to its structure and components.

The ranking system is designed as an “organic” process that continuously revises, self-corrects and matures based on feedback from the system’s users. The stages envisioned are:

Initial: Structure, information requirements and reporting protocol are established by the system designer (Walmart, in the example given). These are created with a light touch that will help get the system started quickly and with broad participation.

First Wave: Manufacturers supply sustainability details for their products, providing both required data and free-form input to expand on sustainability attributes. Manufacturers have the flexibility to provide their own star-ranking for each product as they see fit. The system will likely focus on a limited segment of products (e.g., clothing only, or best-selling products, or some other category) before expanding to a fuller universe of hundreds of thousands of items.

Preliminary Feedback: System users — shoppers, laborers, reporters, advocates, etc — provide feedback to system through flexible options, ranging from simple “thumbs up” or “thumbs down” input to detailed free-text input on factors of importance to the user. Input is open-ended. Product star ratings are shifted higher or lower based on the degree of positive or negative feedback. Input from designated sustainability experts could receive a higher weight in adjusting rankings (this would be an optional feature according to the preferences of the original system designer).

Diversity Period: The free form nature of the system will have an important source of uniformity — the star rankings — but the underlying information will be very diverse both in content and structure. This period will clearly identify the issues of importance to the consuming public and the types of information available in response to these concerns.

System Maturity: Just as the market drives products to a degree of uniformity (eg, battery configurations, shoe sizes, data connections), user feedback will steer



the ranking system towards uniform information content. For example, users challenging a company's climate change presentation will lead the manufacturer to adopt third-party certifications based on accepted reporting protocol.

Ongoing Responsiveness: A phone or car that never changed its features would soon disappear from the market. Sustainability information will be subject to the same forces, calling for continual update, flexibility and responsiveness to emerging consumer concerns.

7. PROTECTION AGAINST THE ABUSE OF POWER.

A control system must be in place to take action if the organization should overstep its mandate, e.g. by unduly interfering with the internal affairs of nation-states or favouring the special interests of individuals, groups, organizations, states or groups of states.

The sustainability ranking system empowers a traditionally underrepresented special interest group: the 7+ billion consumers on the planet. This is not an overstatement. Relying on a very large purchaser to initiate the system creates a ripple effect throughout the marketplace. The manufacturers supplying products to Walmart, for example, are also supplying products to thousands of other large and small merchandisers; sustainability improvements made for Walmart also impacts goods supplied by the manufacturers to other merchants.

This consumer empowerment is an effective counterbalance to abuse of power by others. As the saying goes, "sunshine is the best disinfectant." By promoting an unprecedented degree of transparency in the supply chain, from raw material extraction to product disposal, abuses of workers, communities and the environment — abuses facilitated by the "don't-ask-don't-tell" operation of the conventional marketplace — become much more difficult to hide from public view or to justify once they are revealed.

8. ACCOUNTABILITY.

It is a fundamental requirement of a successful governance model that it performs the tasks it has been charged with, and the governance model must include the power to hold the decision-makers accountable for their actions.

In one respect, this is accountability at its most direct. If we're comfortable with your product's impact on people and the planet, we'll buy it. If not, we won't. Sustainability rankings allow consumers to act on their personal values in a clear, unambiguous fashion, and in a way that communicates their concerns to manufacturers and retailers. The system not only identifies the issues of concern (and thereby, the tasks to be performed), but keeps track of the progress towards making goods more sustainable.

But accountability extends beyond the interactions between suppliers and buyers. The ripple effect of sustainability rankings reaches to local and national governments as well. Countries often have laws in place but lack effective mechanisms to enforce the laws, so that legal constraints on issues like child labor or pollution discharges are widely ignored, with little or no consequences to the offending party. The transparency mechanism of the sustainability ranking system brings such shortcomings to light, pressuring not only the businesses to step up their game, but encouraging local and national governments to more effectively administer the laws already in place.



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