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Building Legitimacy in an Era of Polycentric Trade: The Case of Transnational Sustainability Governance

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Abstract
Increasing multi-polarity within global politics is understood to be a key contributor to the current legitimacy crisis facing global governance organisations. International relations scholars studying this crisis recognise that a prominent strategy to confront "Northern" dominance within this arena is through the construction of alternative governance institutions. Yet while the de-legitimation of long-established international organisations is widely discussed, there is less focused attention on how alternative institutions seek to gain legitimacy, particularly when they advance in fields where both "Northern" and "Southern" interests matter and beliefs about what constitutes proper governance may differ. This article analyses the field of transnational economic governance where the de-legitimation of pre-existing Northern-oriented governance takes the shape of new initiatives backed by Southern actors. Specifically, we focus on transnational sustainability standards governing trade and production in the global economy. This global governance arena has been transformed by the increasingly polycentric nature of global trade, in which producers governed by sustainability standards cater to rapidly expanding markets in the Global South as well as markets in the Global North. As markets have expanded in emerging economies, transnational sustainability standards must increasingly navigate and respond to actors and interests within different geographies in order to gain and establish legitimacy. The recent development of Southern-oriented sustainability standards (as opposed to established Northern-led standards) reflects the existence of diverging perspectives on the appropriateness of established rules and procedures when it comes to the regulation of trade and production. These standards are seen as partially challenging established standards but may likely seek to establish legitimacy within the wider transnational field of sustainability governance. This article examines the case of a recently established India-based sustainability standard known as Trustea to illustrate how various actors managed design and policy dilemmas to reconcile the preferences and beliefs of various audiences. The case illustrates the significance of both "Northern" and "Southern" audiences to Trustea's legitimacy-seeking strategies in the context of broader political contestations regarding how production should be governed in relation to sustainable practices.

1. Introduction

This article contributes to this thematic issue's aim to analyse how legitimacy questions affect international economic arrangements and if and how these may lead to institutional change (de Deugd & van Roozendaal, 2022). Our starting point is that increasing multi-polarity within global politics and evidence of Southern actors challenging Northern dominance within international governance may lead to a legitimacy crisis within

established global governance arrangements (Zarakol, 2019). Yet while de-legitimation of long-existing governance arrangements is widely discussed, less attention is paid to how new "alternative" institutions seek to gain legitimacy, particularly if they advance in fields where both "Northern" and "Southern" interests matter and beliefs about what constitutes proper governance vary. Like the other contributions to this thematic issue, we, therefore, present a study about legitimation strategies in the context of political contestation, albeit with a focus on newly emerging institutions seeking to gain legitimacy, rather than existing institutions being challenged (cf. Bair & Palpacuer, 2015).

Our empirical focus is on the governance of sustainability challenges through transnational standards. Such standards have played a dominant role in governing producers in the Global South who supply goods and services to the Global North. These standards have overwhelmingly been shaped by Northern actors and have typically developed through multi-stakeholder initiatives (MSIs), within which corporates and NGOs co-develop codes of conduct to govern global value chains (Fransen & Kolk, 2007). Yet, as markets expand outside of advanced economies, established transnational sustainability standards and their sponsors in the Global North must arguably seek support from state and non-state actors located within different geographies and end markets to maintain their relevance as international organisations and to expand the orbit of their influence from Northern-oriented to Southern-oriented value chains. Legitimating audiences within these emerging economies may have different perspectives on the appropriateness of established rules and procedures and the output of governance, leading to uncertainty over the longevity of these standards in an era of polycentric trade.

Indeed, evidence of different perspectives is already present through the development of alternative sustainability standards altogether within the Global South representing a fascinating case study of the evolution of global governance in the early decades of the 21st century. The emergence of new "Southern" MSIs backed by Southern actors arguably has the potential to lead to the de-legitimation of Northern-oriented standards, contributing to a wider legitimacy "crisis" driven by broader shifts in the global economic balance of power between Northern and Southern regions of the world economy. Whilst the growing literature on these new Southern MSIs argues that their development is primarily driven by Southern actors, the wider transnational governance arena is complicated by the polycentric nature of trade and production, wherein producers are selling to domestic, regional, and transnational markets. Polycentricity gives rise to the possibility of intersecting interests and tensions between Northern and Southern actors seeking to dominate the governance of sustainability standards within this global standard-setting arena. Political contestation, therefore, becomes a dis-

tinct possibility as Southern sustainability standards emerge in a crowded arena of established transnational standards. Within this field, processes of convergence and divergence are possible as diverging interests seek to influence the development of Southern-oriented MSIs, in which Northern as well as Southern actors are capable of shaping governance arrangements.

This article explores these complex dynamics through a case study of an India-based sustainability standard called Trustea, which regulates social and environmental aspects of domestic tea production. Trustea was designed to move away from a Northern-dominated governance model, and yet the complexity of trade and production in an increasingly multi-polar world meant that its development was partially shaped by actors with linkages to Northern tea markets in spite of striving to better incorporate the needs of local Southern audiences (as compared to established transnational sustainability standards). This article highlights the ensuing struggles which emerged during the course of Trustea's development in line with the thematic issue's commitments (de Deugd & van Roozendaal, 2022) by focusing on how various actors perceived the legitimacy of Trustea through different lenses and how Trustea as a new, legitimacy-seeking institution responded to this. We focus on the well-established categories of input legitimacy (who governs?), output legitimacy (governance for whom?), and discursive legitimacy (how do actors constitute legitimate governance?) in relation to this case of a Southern-oriented but not entirely Southern-led sustainability standard.

The next section of this article will discuss our contribution to the literature on legitimation and our approach to the study. Next, we discuss the methodology. After this, we introduce our case, followed by the results of our analysis of legitimation activities. A final section presents the conclusions.

2. Global Governance, Legitimacy, and Polycentric Trade

The economic performance of Southern states has inspired international relations scholars to rethink whether global economic governance should more properly reflect current political-economic realities, leading to a questioning of decision-making procedures, policies, and discourses that appear overly focused on perspectives and interests from "the Global North" (Efstathopoulos, 2021). This line of thinking emerges at a time when Southern actors are increasingly challenging established international economic institutions such as the World Trade Organisation and the International Monetary Fund, giving further credence to such efforts (Zarakol, 2019). Moreover, we are simultaneously witnessing the development of alternative global governance arrangements, which by design aim to reflect the interests and perspectives of actors from Southern economies (cf. Chin, 2014).

In line with this thematic issue's aims, we study the evolution of a particular sub-set of global governance, focused on transnational standards which set norms in relation to the governance of global trade and production. Transnational standards governing sustainability challenges have become a central governance tool under globalisation. Increasingly, these standards are governed through MSIs in which a variety of different actors (such as corporations and NGOs) design and implement codes of conduct to govern producers embedded within global value chains (Fransen, 2012). The legitimacy of these institutions depends on conformation with established social norms, values, and expectations (Palazzo & Scherer, 2006) which, in this arena, are largely centred upon the degree to which such standards are inclusive of diverse actors and interests. These norms have been established over time as corporations in the Global North have been increasingly pushed to develop accountable governance programmes to address exploitation within their value chains (Sasser et al., 2006).

Yet, this field of global economic governance is also dynamic: Many new governing entities emerge and governance arrangements adjust and adapt quickly to expectations from their audiences (Abbott et al., 2016). As such, legitimation activities in this field are also often understood to be politically contested: Different actors and interests, both governmental and non-governmental, profit and non-profit, build MSIs and engage in MSI governance to pursue varying interests. Those interests may compete with each other or advance specific versions of the good life that may be in tension with one another (Bair & Palpacuer, 2015; Bernstein & Cashore, 2007; Fransen, 2012; Loconto & Fouilleux, 2014). This of course, in turn, affects the overall legitimacy of particular MSIs and programmes.

As discussed in the thematic issue's introduction, we think of global governance arrangements (such as transnational standards) as able to function and survive in this arena of contestation if considered legitimate by an audience of possible rule-takers and their constituents or stakeholders. To gain and maintain such legitimacy, organisations will seek to appeal to such audiences in various ways. International relations, broader political science, and sociological research offer a wide variety of ways to categorise such legitimation activities (Bäckstrand & Söderbaum, 2018; Cashore, 2002; Suchman, 1995; Zaum, 2013) but, as a minimum, they currently converge upon three important categories. Without claiming to advance the field by focusing on these three categories, we describe them here as: (a) efforts to design internal decision-making of organisations in fair ways, most significantly aiming to offer various parties influence on policies (*input legitimacy*); (b) efforts to produce effective policies and *policy outputs*, appreciated by audiences; and (c) *discursive activities* seeking to shed a favourable light on policies and the organisation at large and constituting inter-subjective understandings of what is considered to be legitimate governance.

MSIs designed in the North are frequently criticised for failing to include Southern stakeholders or failing to take into account Southern perspectives on what is sustainable, socially just, and fair (Otieno & Knorringa, 2012). This reflects the reality of global trade flows throughout the majority of the past half-century, which has been concentrated within and across the three regions of North America, Europe, and East Asia. Presumably, governance institutions shaping these trade relations would asymmetrically seek legitimacy, taking into account perspectives of what is proper governance from actors inside the triad, relative to those actors outside it. Institutional design, policies and outputs, and organisational and policy discourse are likely to be more attuned to American, European, and East Asian perspectives, reflecting the interests of a Northern audience.

Whilst most MSIs govern goods and services consumed in the North, the global economy is increasingly shaped by polycentric trade and production flows. As a result of rapid economic development in the South, most notably in the "rising powers" (Nadvi, 2014), Northern markets will soon constitute a smaller fraction of total global consumer demand as a global middle class expands within emerging economies. The concept of polycentric trade, stemming from development studies, complements international relations' perspective on multipolar political-economic orders. It illuminates how domestic, regional, and global flows in the world economy interact and intersect. In particular, it shows how production sites that are the targets for transnational sustainability governance may increasingly cater to domestic and regional as well as transnational markets simultaneously.

For established MSIs, the expansion of Southern-oriented consumption and the broadening of producer's trade portfolios beyond Northern market buyers presents a dilemma, given their historical focus on catering to Northern interests, values, and norms. As the world order becomes ever-more characterised by polycentric trade patterns, these institutions must decide how best to adapt and may choose to consider the interests of Southern as well as Northern audiences. However, it is not only a question of how established MSIs respond to these global shifts. There is evidence of new alternative MSIs governing labour and the environment being established by Southern actors in numerous sectors (Langford et al., 2022; Schouten & Bitzer, 2015). Their emergence raises questions regarding how these institutions seek legitimacy and whether they align with or challenge dominant transnational standards. Moreover, is it fitting or appropriate to assume that the interests of Southern and Northern actors do in fact differ, or that institution-building efforts can be separated into those of Northern versus Southern agendas?

These questions are vital for understanding (a) how standards develop in a Southern (as opposed to Northern) context, (b) who shapes these standards, and (c) which audiences are key to their development as

legitimate institutions. If global governance increasingly addresses *polycentric* trade patterns, as Horner and Nadvi (2018) claim, then it is likely that powers from outside the triad will be afforded a more powerful role in shaping the legitimacy of particular economic governance arrangements, and these arrangements may also be based upon different norms surrounding what are appropriate forms of governance. This gives rise to two *empirical* questions which form the central focus of this article: To what extent do the perceptions of actors from different geographic positions diverge or converge on the question of what constitutes legitimate economic governance? And, if perceptions of what constitutes legitimate governance do indeed differ within and outside the triad, how do governors of global governance arrangements go about managing such differences?

This article begins with the assumption that what can be considered "proper" governance may indeed vary within an increasingly polycentric world economy. This means that for institutions that govern polycentric trade flows, maintaining legitimacy becomes a careful balancing act in which multiple audiences at different scales and from different geographies may remain relevant to its overall legitimation. Where divergence in perspectives on what is considered "legitimate governance" are not reconcilable in relation to particular decision-making, policy, or discursive compromise at the level of the focal governance organisation, struggles ensue and tensions arise within such transnational governance arrangements. By examining these processes in relation to sustainability standards, we build on evolving approaches of legitimacy analysis in both intergovernmental and transnational governance (cf. Tallberg & Zürn, 2019). Our approach advances the sub-field of transnational sustainability governance studies because such studies have not yet taken more significant stock of the implications of polycentric trade for legitimation politics within newly emerging governance arrangements (cf. Bitzer & Marazzi, 2021).

We know from previous literature in transnational standard-setting that input legitimacy has been a central concern in awarding or rejecting support to standards by particular societal stakeholders (Fransen, 2012) and that this has informed important contestation among businesses and NGOs, as well as among various standard initiatives. It has also received increased attention in studies of Southern standards (Bitzer & Marazzi, 2021), although these studies scarcely deal with the politics of legitimation that underlie institutional design decisions made. Similarly, output legitimacy in terms of policies produced by MSIs also receives significant attention as it describes the activities and priorities of these organisations, albeit with more attention for the legitimacy aspects of these in studies that do not deal with Southern standards (cf. Loconto & Fouilleux, 2014). Discursive legitimacy, finally, is a concept less familiar for most scholars of transnational sustainability governance, although inter-subjective understandings shaping governance do figure in some of the modern classics on transnational standards (cf. Bernstein & Cashore, 2007). Again, we have yet to learn more about how discourse shapes legitimation in the context of emerging Southern standards.

3. Methods

This article follows a case study design based on qualitative research methods (Yin, 2009). Whilst transnational sustainability standards have been a focal point of study, the case study of Trustea as Southern-oriented sustainability represents one of a handful of new standards developed to govern production in domestic and regional value chains in the Global South. As such, Trustea is a fitting empirical example of how Southern standards navigate and respond to actors and interests in an increasingly polycentric arena of sustainability governance. Data collection involved extensive analysis of secondary data sources available online as well as primary data collection through semi-structured interviews during the period 2014–2017. In total, 59 interviews were held across India, the Netherlands, and the UK with corporations, planters, smallholders, government bodies, and civil society actors. Interviewees were selected based on their involvement in processes of standard-setting in relation to the global tea industry and all interviews were held in person, recorded, and subsequently transcribed by the authors. Key questions raised in the interviews facilitated the identification of the primary actors shaping Trustea, their relationship to pre-existing transnational standards governing the tea industry, and how such actors sought to shape the institutional structure of Trustea in line with particular norms, values, and expectations in relation to legitimation. In both policy-document analysis and interview analysis, we trace both claims about legitimacy and accounts of legitimation activities in terms of designing and debating decision-making procedures, policy outputs, and the discursive construction of Trustea as a new sustainability standard. Data were analysed using thematic coding aided by NVivo software.

4. Trustea as a Polycentric Tool of Governing

Since the 1990s, the Indian tea industry has been governed by numerous transnational sustainability standards, including Rainforest Alliance, Utz Certified, and Fair Trade, which together certify approximately 18% of exported tea from India (Centre for the Promotion of Imports, 2016). Rainforest Alliance is the dominant export standard, certifying approximately 15% of the total volume of tea produced for foreign markets (Rainforest Alliance, 2015). The focus of these global standards has been on export-oriented plantation estates within India rather than smallholder tea growers and other domestic-oriented producers (such as smaller plantations). Whilst the Indian tea industry was

developed as an export-oriented industry under colonialism, since the 1960s there has been a significant increase in affordable tea within the domestic market (Lutgendorf, 2012). Population growth, rising incomes, and urbanisation have boosted domestic demand and India is now the world's largest consumer of black tea with almost 90% of the tea produced in India consumed domestically (Tea Board of India, 2018).

The initial introduction of transnational standards into the industry came from corporations opting to use certification for tea sold in Northern markets. Unilever, the world's largest tea buyer, was the "front runner" but major competitors including Tetley and Twinings soon followed suit. The majority of these corporations opted to use Rainforest Alliance to certify their major tea brands. Whilst the use of transnational standards was originally limited to OECD markets, the rapid growth of emerging economies has led some corporations to expand certification into the South. In 2010, Unilever announced its intention to expand certification to emerging markets under the Unilever Sustainable Living Plan. This new strategy was built upon Unilever's recognition that emerging economies represented the majority of the corporation's future growth and that certification could be used to differentiate their branded products within these markets. This strategy involved working in partnership with the established transnational standard Rainforest Alliance to expand tea certification within Southern markets. However, in 2013, a new sustainability standard was launched to govern tea production in India's domestic tea market, which was directed by Unilever's subsidiary Hindustan Lever. This new standard, named "Trustea," marked a significant deviation from the original strategy of the Unilever Sustainable Living Plan. This development raises many questions regarding why a new standard was needed for this market, what this entailed for Rainforest Alliance as the dominant tea standard in the industry, and how Trustea sought to legitimate itself in relation to established transnational sustainability standards.

Trustea governs the social and environmental conditions of tea produced and consumed within India. Its code of conduct is comprised of 11 chapters, including social chapters (labour standards in plantations and small tea gardens, worker protection and welfare), environmental chapters (pesticides, waste disposal, and water management), and food safety standards. Trustea is funded by Unilever's Indian-based subsidiary firm Hindustan Unilever alongside another major Indian-based corporation Tata Global Beverages and the Dutch development agency Initiatief Duurzame Handel (IDH). Trustea is a well-established standard. By 2019, it claimed to have certified 49% of India's total tea production, including 51,463 small tea growers and 622 estates and bought leaf factories (IDH, 2019). It therefore dwarfes the volumes certified by Rainforest Alliance and other certification schemes active within the industry. Trustea positions itself as a bottom-up, Southern-led standard designed "by the industry, for the industry"

and yet a closer look at Trustea's internal governance reveals a rather more complex set of actors who transcend the typical boundaries of "local" versus "transnational'' standards.

Trustea's internal governance is comprised of three tiers, as illustrated below in Figure 1. The Funders Steering Committee consists of the two largest domestic corporations alongside IDH. The Programme Committee consists of key advisors and implementers, whilst the Advisory Committee constitutes a more inclusive forum through which external stakeholders are invited to comment on Trustea's development.
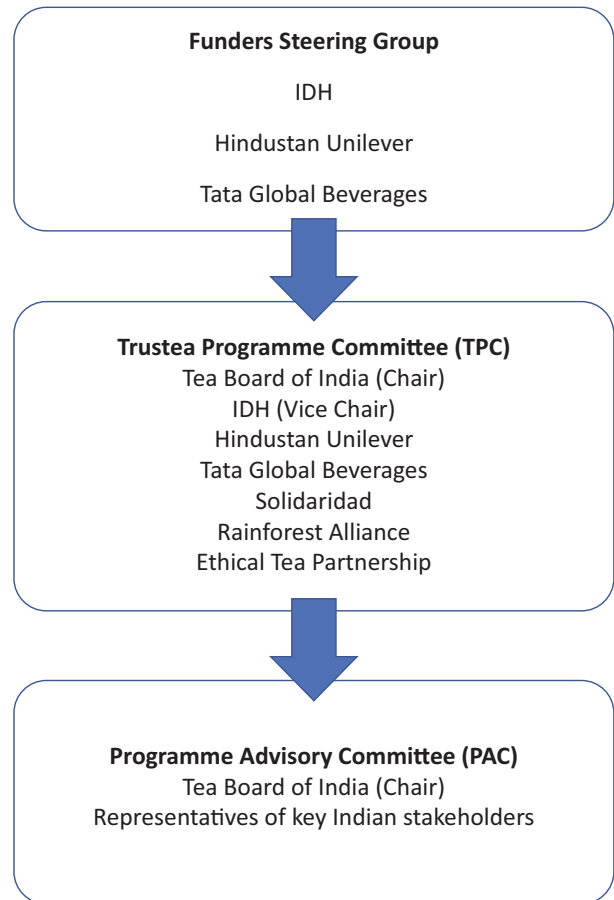

Funders Steering Group

IDH

Hindustan Unilever

Tata Global Beverages

Trustea Programme Committee (TPC)
Tea Board of India (Chair)
IDH (Vice Chair)
Hindustan Unilever
Tata Global Beverages
Solidaridad
Rainforest Alliance
Ethical Tea Partnership

Programme Advisory Committee (PAC)
Tea Board of India (Chair)
Representatives of key Indian stakeholders

Figure 1. Internal governance structure of Trustea.

Although ostensibly Trustea is a Southern MSI, several member organisations govern the global as well as domestic production chains for Indian tea, as demonstrated in Table 1. The lead corporations—Hindustan Lever and Tata Global Beverages—are not only domestic firms but also global players, meaning that they sell tea in local and global markets (Langford, 2021). Hindustan Lever is a subsidiary of global corporation Unilever whilst Tetley is owned by the Indian conglomerate Tata. Similar levels of complexity between the global and the local can be found in the NGO partner Solidaridad, which is a Dutch organisation with an Indian office which is given significant autonomy to direct projects locally (Langford, 2019). Whilst the Tea Board of India is a domestic

Table 1. Trustea internal governance members and their linkages to polycentric production chains.

Actor	Domestic Supply Chain		Global Supply Chain
Private (lead firm)	Hindustan Unilever	⬛➡	Unilever
	Tata Global Beverages	⬛➡	Tetleys (Tata)
Civil society (NGO)	Solidaridad India	⬛➡	Solidaridad
			Rainforest Alliance
			Utz Certified
			Ethical Tea Partnership
Public (state)	Tea Board of India		IDH

state-linked actor, the Technical Committee is comprised of several Northern-linked organisations, including other sustainability standards such as Rainforest Alliance. These intersections blur the boundaries of who can be considered "Northern" versus "Southern." or "global" versus "local." This appears to differ from some other Southern standards which appear to be primarily led by local actors (Schouten & Bitzer, 2015).

As this article demonstrates, the embeddedness of these actors within distinct yet intersecting institutional environments leads to a complex set of political processes through which legitimacy for Trustea is sought. The following section describes this in more detail, illuminating the various actors and their perspectives on legitimate governance and demonstrating the difficulties inherent in promoting legitimacy in a world of polycentric trade. Specifically, it examines the ways through which the key actors shaping Trustea sought to legitimate the standard through the lens of input and output legitimacy, as well as through various discursive activities.

5. Legitimation in a World of Polycentric Trade

5.1. Contestation Over Input: Polder and Multi-Stakeholder Models

As discussed earlier, the multi-stakeholder model based on a principle of stakeholder inclusivity has become a dominant norm within transnational standards developed in the Global North. Trustea's early development is partly conditioned by these established norms, which is directly linked to the fact that key actors shaping the standard are embedded within multiple markets. Yet, Trustea's early development is also shaped by debates over the feasibility of replicating such a model in the Indian context as well as *who* in fact counts as a legitimate stakeholder within the Indian context. As this section will demonstrate, these debates were shaped by the necessity of bringing on board reluctant industry actors, such as domestic tea plantations and buyers. Much of the political contestation which follows (outlined below) suggests that domestic lead firms and other industry representatives were a key legitimating audience for Trustea.

In 2012, one year prior to Trustea's launch, the Dutch organisations Solidaridad and IDH sought to shape the standard's institutional design according to the "polder model" of cooperation which laid out a template for stakeholder inclusion. The polder model originates from a Dutch version of consensus-based economic and social policymaking prevalent in the Netherlands during the 1980s and 1990s and has since become the *de facto* standard for all public-private partnerships funded by IDH (OECD, 2016). In Trustea's case, the model was used by the Dutch NGO Solidaridad to counter resistance to the inclusion of trade unions and civil society actors voiced by industry members of the MSI. The polder model as originally designed included the representation of planter associations (The United Planters' Association of Southern India [UPASI], India Tea Association), smallholder associations (Confederation of Indian Small Tea Growers Association, National Federation of Tea Smallholders Association), trade unions, bought leaf factories, and NGOs. Yet, by the time of Trustea's launch in 2013, many of these organisations were absent from the Stakeholder Committee (see Figure 2). These by now excluded local stakeholders (including trade unions, NGOs, and smallholder representatives) were replaced by IDH and Solidaridad who were invited to sit on the Advisory Committee (as well as the other Committees) alongside Rainforest Alliance.

The absence of these local stakeholders points to contestation between different members on what was deemed necessary for legitimacy-building, with resistance towards civil society inclusion evident within the discussions. As an Indian standard, it appears that the MSI-approach to institution building (in which trade unions and/or NGOs are present) was resisted and this resistance can be understood by acknowledging the fractious state of industrial relations in the context of Indian tea production. Members of Trustea frequently referenced the differences between industrial relations in the Dutch versus the Indian context, in which relations between trade unions and planters are highly adversarial. Industry representatives argued that trade union inclusion would result in the failure of Trustea altogether because there could be no hope of "meaningful negotiation" and so the idea was rejected by both planters
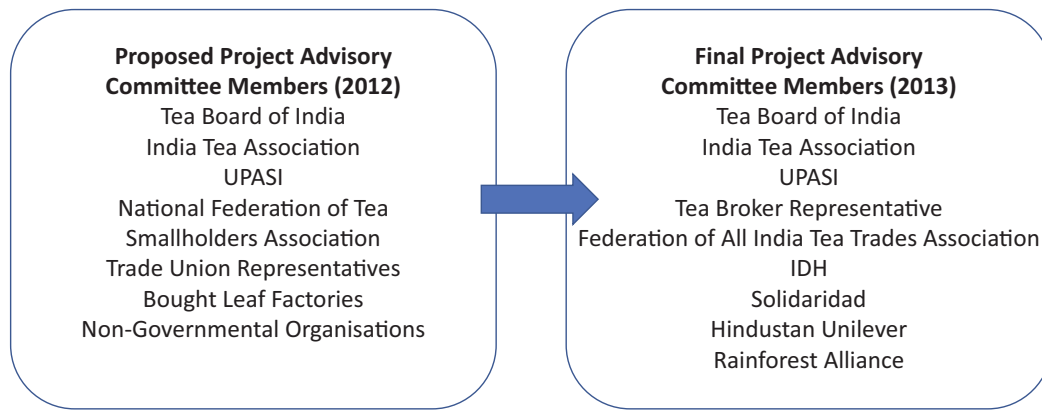
Figure 2. Inclusion of stakeholders: Proposed and final membership of the Trustea Advisory Committee.

and lead firms (NGO 5, 03.06.15; Planter 2, 07.07.15; Planter 4, 20.07.15; Planter 6, 02.07.15). Trade unions, on the other hand, were deeply sceptical about privately-driven standards and their critical stance may well have led them to refuse to cooperate in any case because such MSIs are seen as whitewashing the exploitation of labour. These adversarial relations should be understood and contextualised within the broader history of oppression in the industry under colonialism.

The decision to exclude unions did however create tensions between different member organisations. Solidaridad argued that the polder model should be adhered to, despite the clear differences in industry-trade union relations within the Indian context (NGO 5, 15.02.15). There was a strong belief that the replication of Dutch norms in the Indian context could foster new forms of cooperation and that input legitimacy could be "transposed" from the Dutch to the Indian context. For IDH however, adherence to the polder model was seen as impractical in the local context. For IDH, the fractious relations between industry and trade unions, and their argument that trade unions don't always represent worker interests, meant that their inclusion was not "necessary'' within the production of a legitimate MSI within India (NGO 8, 20.02.15). What is striking here is that "who" is considered important for local input creates tensions not only between Northern and Southern actors but also within Northern actors (IDH and Solidaridad) and between Southern actors (Indian plantations wary of Indian corporate subsidiaries).

The difficulties in transposing the polder model led Solidaridad to pursue alignment with local norms by including stakeholders who were acceptable to local industry. Given that trade union inclusion was not possible, state involvement increasingly became seen as vital to secure Trustea's legitimacy locally (NGO 5, 03.06.15). Corporate actors were sceptical of this, citing concerns over the politicisation of Trustea by "powerful bureaucrats" (NGO 8, 23.03.15) but internal agreement was eventually reached to invite the Tea Board of India (a state-run marketing board) to join both the Programme and Advisory Committees. In theory, this

was supported by IDH who argued that their support for Southern-oriented standards marked a transformative shift from the construction of "Western coalitions" to "local convening with local industry, local government" (NGO 8, 04.04.17). Yet, once again, the idea of states and corporations co-developing new standards was novel in the Indian context and the Tea Board initially resisted because it did not trust the "Dutch fragrance" of the programme. Indeed, the Tea Board only agreed to join when the Indian corporation Tata Global Beverages became a member in 2013. Tata's membership swayed the Tea Board because Tata was a local corporation from its inception, and therefore the firm's involvement legitimated the standard from the perspective of the Indian state.

From the perspective of local industry actors, the Tea Board's involvement in turn proved essential in creating local legitimacy (NGO 5, 03.06.15) and dampened reservations that Trustea was a corporate-led programme (Planter 4, 30.07.15). State involvement allowed Trustea to play on a discourse of national identity in which an alternative standard was being developed to remedy the lack of local representation within other transnational standards (Business Association, 25.07.15). Its involvement was also used to deflect criticism from Northern NGOs who were concerned about the degree of stakeholder inclusion within its internal governance (NGO 5, 03.06.15). Yet this perspective was not uniform amongst representatives of the producer community. Some large domestic planters worried that the Tea Board's authority was being usurped by corporations through the process of "subletting its administrative functions" (Planter 7, 04.07.15).

Trustea's evolution demonstrates a movement away from the typical MSI-model of governance to one which depends upon state-backing for its legitimacy. The key audience for Trustea was the local industry as these plantations were already burdened by certification programmes for exports and were resistant to further standards. Therefore, it was necessary to either convince them that Trustea was locally owned (and therefore representative of their interests) or to signal that it was

legitimate through the backing of state-based associations. Yet, in an industry shaped by polycentric trade and production networks, member organisations were also keen to demonstrate Trustea's wider legitimacy on the global scale. This in part relates to the fact that members were embedded within the Dutch institutional landscape, and that they should be "seen" to act within the pre-established norms when engaged in establishing new sustainability standards elsewhere. A second process of legitimation, therefore, related to how Trustea established itself in relation to pre-existing so-called "global" standards such as Rainforest Alliance, as discussed below.

5.2. Legitimation by Policy Outputs: Contestation Between Northern and Southern Standards

Whilst Trustea explicitly sought to achieve legitimacy with local stakeholders, its development continued to be shaped by organisational ties to Northern actors. This resulted in continued efforts to also seek legitimacy within the international arena of standard-setting, specifically in relation to the effectiveness of policy outcomes for sustainable tea production. As this section will demonstrate, Trustea's legitimation to Northern audiences (which includes funding bodies and members associations for sustainability standards) draws on two strategies. The first strategy relies on stressing the similarities between Trustea and established sustainability standards such as Rainforest Alliance. The second strategy rests upon emphasising important differences (such as minimum age for workers and engagement with smallholders) which defined new parameters for legitimation in relation to policy outputs. The former marks the earlier period of Trustea's development and somewhat mimics the earlier attempts to transpose norms from the transnational to the local level. The latter is the result of increased tensions between Rainforest Alliance and Trustea, as competition leads Rainforest Alliance and Trustea to place different emphases on policy outputs as sources for legitimation. The debate would focus on *standards as outputs* of policymaking as well as the policy to focus on specific *farmers as regulatory targets*. The question for Trustea rested upon whether Northern audiences accepted these new parameters (or definitions) of legitimate governance or not.

Trustea's development began when Unilever realised that it could not transpose Rainforest Alliance into India's domestic market due to differences between Rainforest Alliance's code of conduct and Indian labour law. Whilst Indian labour law permits minors from the age of 14 to work in non-hazardous industries, Rainforest Alliance stipulated that the minimum age for labour should be 15. In addition, Rainforest Alliance also faced difficulties in engaging with the small tea growers, having only ever certified export-oriented tea plantations (Langford, 2019). Initially, Northern audiences (such as Rainforest Alliance and ISEAL Alliance, an umbrella agency for

sustainability standards) perceived Trustea as a less robust but "necessary" governance tool which could provide a "stepping-stone" for producers to eventually meet Rainforest Alliance certification if they wished to export tea (NGO 7, 20.02.15). Through this approach, the two standards would cooperate and producers supplying the domestic market would have the option to become Rainforest Alliance-certified over a multi-stage process. This cooperation was facilitated by Unilever who provided Rainforest Alliance with a role on Trustea's Programme and Advisory Committees.

Initial ideas of cooperation became replaced by competition as some members of Trustea felt that Rainforest Alliance's internal presence allowed them to gain the necessary knowledge to make competitive advances within the domestic market. These concerns were amplified by the fact that Rainforest Alliance was seeking to pursue its own expansion within the domestic market with other tea companies (i.e., beyond Unilever and Tata). This undermined the initial informal understanding between members that Trustea would certify for the domestic market whilst Rainforest Alliance would certify for exports (as it had done up until this time; NGO 5, 03.06.15). Over time, some Trustea members (predominately the NGOs) began to perceive a conflict of interest capable of undermining Trustea's own success within the domestic market. As competition grew, the two institutions began to emphasise their differences rather than their similarities, and this occurred on the international as well as the local scale.

Specifically, Rainforest Alliance argued that it maintained higher benchmarks in relation to labour and environmental standards and therefore was more legitimate, choosing to position Trustea as predominantly a "food safety" rather than a sustainability standard. This was backed by the umbrella association for sustainability standards ISEAL Alliance which claimed that Trustea did not meet their criteria for a legitimate MSI because it had failed to be multi-stakeholder in its design. ISEAL Alliance refused Trustea's application for membership despite Trustea's claim that they followed the guidelines for accreditation. Trustea, on the other hand, argued that its code of conduct improved upon Rainforest Alliance's (already an ISEAL member) because it addressed the specific challenges of certifying producers for the Indian tea market and so it was in fact more legitimate in terms of its coverage of total tea volumes produced. Specifically, Trustea highlighted the adjustments made to the auditing process to include smallholders and bought leaf factories which brought informal sector producers (i.e., smallholders) into the mainstream of sustainability certification. Rainforest Alliance's focus on tea exports had meant that it had ignored smallholders (who only produce for domestic consumption) and therefore lacked the capabilities of adapting its model for the local market. Altogether, this led to competing claims about which standard was a more legitimate model of governance within the domestic market context.

5.3. Legitimation by Discourse: Constructing Indian Indigenous Standard-Setting

A third aspect of legitimation regarding Trustea occurred in the realm of discursive construction. Discourse around the identity of Trustea centred on its geographical construction as a local and Southern-owned standard, in spite of the fact that there are clear linkages and similarities with established sustainability standards in the Global North. Trustea did garner legitimacy with local Indian industry audiences who seemingly mirrored Trustea's emphasis on being locally driven, with multiple planters discussing Trustea as an "indigenous code," "managed by Indians," and "something of our own" (Planter 2,07.07.15; Planter 4, 20.07.15; Planter 6, 02.07.15). Trustea is created "for the industry, by the industry" according to its website. This construction implies that other governing entities are foreign, not sensitive to Indian industry nor Indian understandings of sustainability, and do not allow for substantive Indian involvement. This emphasis on divergence is arguably a useful device given that the history of sustainability governance has been shaped by unequal power relations in which Northern voices have tended to dominate. Interviews with industry representatives, including planters, indicate that they were attracted to Trustea because of its indigenous design but still tended to criticise the wider role of lead firms in setting such standards (Planter 2, 07.07.15; Planter 7, 04.07.15).

Interestingly, actors seeking to *delegitimise* Trustea as a standard-setter also draw upon the same discursive construction of Trustea as an Indian standard. ISEAL Alliance was among the parties belonging to external audiences interpreting Trustea as a "local," "national" standard. In ISEAL's view, Trustea's first aim is the "domestic market" (NGO 5, 03.06.15). ISEAL representatives perceive Trustea's effort as an "Indian" approach, and an attempt to "Indianise" sustainability standard-setting (NGO 6, 18.02.15). ISEAL representative comments indicate that this local character of standards creates a distance to conventional (and therefore legitimate) transnational standards, in terms of policies and standards. This distance needs to be overcome before these standards can be accepted as ISEAL members, (i.e., as legitimate standard-setters; NGO 6, 18.02.15). What is particularly interesting here is the fact that Trustea was largely shaped by Northern norms and by pre-existing transnational standards such as Rainforest Alliance, yet ISEAL Alliance chooses to frame Trustea as a bottom-up standard defined by a national approach to standard-setting. This suggests the development of a discursive separation of North and South within transnational sustainability standards, to justify the exclusion of particular standards. Whilst this study of Trustea took place between 2013 and 2017, Trustea has more recently (in 2021) been recognised as a "community member" of ISEAL. However, it has not become a full member and is not considered "ISEAL Code Compliant." Trustea's community membership indicates the persistence of the tensions outlined in our studied time frame, with ISEAL staff still emphasising the national focus of Trustea as a governance characteristic that distinguishes it from other ISEAL standards, while Trustea's representatives referring to its move towards community membership as the ambition to belong to the class of other ISEAL member standards (ISEAL, 2021).

What is significant here is the fact that Northern and Southern actors use the same discursive device for different purposes, illustrating another interesting aspect of polycentricity and standard creation. Meanings and values as attributed through discourse signify different ideas and constructs. These historical and ongoing antagonisms between North and South drive organisations to continue defining their efforts in such terms, with Northern actors keen to maintain an idea of Southern standards as "lower" and with Southern actors increasingly keen to demonstrate autonomy in decision-making and governance processes.

6. Conclusion

This article focused on how transnational governance institutions developed in an era of polycentric trade seek legitimacy within a contested field of governance. Using the case of Trustea, a Southern-oriented sustainability standard governing India's domestic tea market, this article demonstrated the ways through which the various member organisations sought to manage design and policy dilemmas to reconcile the preferences and beliefs of various audiences. This is in line with the thematic issue's commitment, building on Beetham (1991) to further understand how beliefs about what is legitimate relate to institutional evolutions and changes in economic governance, which may spur, in turn, processes of legitimation and de-legitimation.

Our case study represents a fascinating empirical example of how Northern and Southern interests and beliefs matter when it comes to the shaping of new, Southern-oriented standards. On the one hand, Trustea is funded and backed by corporations and state-linked bodies in the Global North. However, it is simultaneously being developed as a locally embedded standard which claims to reflect the norms of the domestic tea industry. This tension plays out in relation to legitimation strategies, in which there are divergent perspectives on how to mould Trustea with regards to input and output legitimacy as well as how to discursively construct the standard for various audiences. In relation to input legitimacy, Trustea moved from a multistakeholder model to a more exclusive standard, reflecting a shift from appeals to Northern NGOs towards Southern industry audiences. In relation to policy outputs, similarities and differences between Trustea and established transnational standards were emphasised at different stages to legitimate the standard to various audiences. However, as competition emerged, the emphasis on

differences became more pronounced as attempts to delegitimate transnational standards became more frequent. Finally, in discursive terms, Trustea's identification as "Southern" has been used by transnational and local interests to advance particular constructions and/or hierarchies which result in legitimation or delegitimation, depending on the audience. As a result, Trustea may become more appealing to Indian audiences, but it is under threat of not being treated as best-in-class in sustainability standard-setting by prominent parts of Northern audiences. The case shows that there is a clear divergence in what these various actors consider legitimate, and that member organisations are concerned with appealing to multiple audiences in different geographies of the global economy. The reasons for this relate directly to the fact that Trustea sits at the intersection of global and domestic value chains in which domestic markets are expanding and global markets are shrinking. Yet, in spite of the growth of the domestic market, Trustea's members continued to be concerned with the legitimation of the standard at the transnational (as well as the local) level.

In terms of how new governance institutions seek to gain legitimacy, this article shows firstly that new Southern-oriented governance initiatives may seek to establish legitimacy in relation to both Northern and Southern audiences. This contrasts with previous studies which show transnational standards emerging in the South as predicated upon different forms of legitimation in relation to pre-established standards (Schouten & Bitzer, 2015). Secondly, this article finds that when Southern-oriented governance institutions develop in an era of polycentric trade, they become embattled in legitimacy struggles with pre-established institutions, even when certifying for different end markets. This is because transnational standards from the North and South are seeking to establish themselves in different markets (often "beyond" their original markets) and to different audiences. Finally, our results show that in the interaction between Northern and Southern-oriented governance institutions, the discursive construction of initiatives on the one hand more locally, nationally, Southern oriented, or on the other more global or Northern-oriented may prove important as a legitimation device, but that different audiences may draw different forms of signification from this. Therefore, we claim that the study of Southern-led transnational standards cannot be simply read as the development of alternative institutions to established transnational standards. This is because the case of Trustea has highlighted the ways through which the polycentric character of global trade leads to complex North-South interactions within sustainability governance practices. This invites a more nuanced perspective on how such governance arrangements seek, gain, and maintain legitimacy in dialogue with their various audiences and sponsors.

In terms of the broader study of legitimation and de-legitimation in global economic governance, we offer a detailed account of how contrasting perspectives on what constitutes proper economic governance, emerging in the Global South yet rooted in different geographies of the world economy, may or may not be reconciled within the internal politics of a new governance institution. This account offers ideas that may inspire further study in this realm. In particular, we highlight the fact that divergent expectations about appropriate input to decision-making in global economic governance may complicate legitimation in an era of polycentric trade. Similarly, we show that particular discursive constructions of economic governance arrangements may enhance the legitimacy of such arrangements for one audience while diminishing it for others. Finally, we show that it is important to study legitimation processes of newly emerging governance arrangements in the context of adjacent, already existing governance arrangements, because important feedback effects (such as competition) may arise (cf. Alter & Meunier, 2009). While we illustrate these patterns in light of divergent expectations about legitimate governance across Northern and Southern audiences, our study at least indicates the continued relevance of differences in attitudes and ideas *within* these audiences, for instance between for-profit and non-profit actors, or among firms with different sizes or business models. Future research should consider these intricate dynamics at play within globalised trade and production networks in order to situate the development of Southern-oriented standards within a complex and ever-changing world of polycentric trade, production, and governance.

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Conflict of Interests

The authors declare no conflict of interests.

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