Partnering for Change in Chains

On the Capacity of Partnerships to Promote Sustainable Change in Global Agricultural Commodity Chains

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Partnering for Change in Chains

On the Capacity of Partnerships to Promote Sustainable Change in Global Agricultural Commodity Chains

Partnerships voor duurzame ketens

Over het vermogen van partnerships om mondiale agrarische productketens te verduurzamen

(met een samenvatting in het Nederlands)

Partnerschaften als Nachhaltigkeitsansatz

Zum Potential von Partnerschaften, nachhaltige Veränderungsprozesse in globalen Agrarwertschöpfungsketten zu fördern

(mit einer Zusammenfassung in deutscher Sprache)

PROEFSCHRIFT

ter verkrijging van de graad van doctor aan de Universiteit Utrecht op gezag van de rector magnificus, prof. dr. J.C. Stoof, ingevolge het besluit van het college voor promoties in het openbaar te verdedigen
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Verena Claudia Bitzer
geboren op 20 maart 1982
te Ulm, Duitsland

Promotoren:
Prof.dr. P. Glasbergen
Prof.dr. P. Leroy
Prof.dr. B.J.M. Arts

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Für meine Familie,
insbesondere meine Mutter

1 Introduction

1.1 Background

In recent years, particularly since the 2002 UN World Summit on Sustainable Development in Johannesburg, intersectoral partnerships between actors from state, market and civil society have attracted the attention of researchers and professionals alike. Partnerships have been labeled new instruments to address global public policy challenges, and to contribute to the implementation of globally agreed commitments, such as Agenda 21 or the Millennium Development Goals. They are understood to increase the social and environmental performance of companies, and to support the agenda of corporate social responsibility (CSR). By creating an institutionalized platform for collaboration between public and private actors and by facilitating collective action, partnerships are presumed to advance public goods as well as private interests, and to contribute to international development (Witte et al., 2000; Biermann et al., 2007; Andonova, 2010). These positive credentials have placed partnerships in the center of the debate on what kinds of institutional arrangements are most promising to address complex, multilayered and multiscalar sustainability issues (Glasbergen, 2007).

While the content and dimension of the current partnership trend may be recent, collaboration between public and private actors occurred long before the term ‘partnership’ was coined in scientific literature. These arrangements were referred to as mixed enterprises, outsourcing or contracting-out, and could mostly be found in the areas of service provision, infrastructure and urban planning (Krumm and Mause, 2009). Only since the beginning of the 1990s has the term partnership been used to indicate a shift in steering and regulating society, and to connote a global dimension of ‘governance’. This shift constitutes a transition from state-led ‘command and control’ in the 1960s and 1970s, to corporate self-regulation and privatization in the 1980s, and, finally, to co-regulation in the 1990s, where actors from business and civil society are integrated into the governance process through partnerships (Utting, 2002). In this context, scholars argue that partnerships represent a new form of political modernization that reflects an ongoing reconfiguration of authority in world politics and the growing importance of non-state actors in the international arena (Schäferhoff et al., 2009).

The appreciation of the potential value of non-state actors has given rise to an international consensus on the desirability of partnerships, even though the consequences of partnerships are still poorly understood (Lund-Thomsen, 2009). Partnerships have emerged in a variety of issue areas, ranging from international development (Reed and Reed, 2009) and forestry (Pattberg, 2005a) to biodiversity (Visseren-Hamakers et al., 2010) and climate change

(Bäckstrand, 2008). Particularly in global agricultural commodity chains, partnerships have experienced considerable growth since the late 1990s, following the recognition that "no single stakeholder group or set of government or private-sector policies will make the international commodity system significantly better" (Clay, 2005: 149). Collaborative arrangements between companies, nongovernmental organizations (NGOs) and governments are envisaged to break this impasse, and promote environmentally friendly and socially responsible commodity production. Moreover, they are said to be able to provide poor farmers with market access and services, enable them to respond to changing market demands, and facilitate wider participation in supply chain decision-making (The World Bank, 2007; Potts et al., 2009). As such, partnerships are expected to address commodity-related development challenges, contribute to pro-poor growth and develop sustainable economies (OECD, 2006; Potts et al., 2009). Critics, however, argue that partnerships represent a form of privatization following neoliberal policies that grant business a disturbing impact on development objectives, while providing developing country governments with an alibi to abdicate from their responsibility to provide services to the poor (e.g. Miraftab, 2004). Scholars caution that this may lead to a partnership agenda which is dictated by economic priorities rather than smallholders' interests and broader sustainable development goals (e.g. Gregoratti, 2009).

The conflicting opinions also reflect the limited knowledge on the capacity of partnerships to promote sustainable change, on the type of change they promote and on their wider implications for international governance in commodity chains. Therefore, this dissertation focuses on some of the issues surrounding this debate in order to contribute to a better understanding of partnerships in global commodity chains, thereby providing lessons for the broader theory on partnerships. More specifically, the dissertation aims to analyze the capacity of partnerships to promote sustainable change in commodity chains, examine how this capacity manifests itself and to what extent it depends on the strategies, institutional context and network relations of partnerships

This introductory chapter will first review the sustainability challenges of global commodity chains to give an impression of the issues to be addressed by partnerships. The chapter will then shed light on the conceptualization of partnerships from two theoretical perspectives. First, partnerships are portrayed from the perspective of the literature on environmental governance. Second, partnerships are looked at from the perspective of the literature on development studies. Based on these two perspectives, the knowledge gap on partnerships in global commodity chains is identified, and the research objectives and questions of the dissertation are articulated. Finally, the research approach, including case studies, concepts and methods, is introduced.

1.2 The sustainability challenges of global agricultural commodity chains

This dissertation was written at a time when commodities were strikingly present at the international level in debates on globalization, poverty, sustainability, development, and trade disputes. To a large extent this presence is owed to the great importance of agricultural export commodities for developing countries and to the manifold sustainability challenges associated with commodity production.

Many tropical agricultural commodities are characterized by Southern production and Northern consumption, and thus constitute major strands linking less developed countries to global markets. It is estimated that about one billion people in developing countries rely on the production and export of agricultural commodities for their income (South Centre, 2005), making commodities central to household and national income generation, economic growth and employment. However, commodity production is not sustainable along a number of environmental, social and economic dimensions. The cultivation of agricultural products has been identified as the main threat to global biodiversity and ecosystem functioning (Clay, 2004), and many agricultural production areas overlap with tropical biodiversity hotspots, suggesting that tropical agricultural commodities have a disproportionally large environmental impact (Myers et al., 2000; Donald, 2004). This impact is mainly related to the expansion and intensification of commodity production in tropical areas resulting in land degradation, deforestation and loss of habitat as well as increased pressure on water, energy and soil resources. Environmental problems are also associated with the abundant use of pesticides, fertilizer and other synthetic chemical inputs, which has increased since the modernization and technification of production during the 1970s. In addition, the heavy utilization of chemicals causes significant health problems for farm workers exposed to them. This is but one aspect of generally poor working conditions in commodity producing sectors. A race to the bottom in labor conditions has been identified by NGOs which frequently report and denounce cases of child labor, wages below the legal minimum, deliberate hindrances to participation in labor unions, and other exploitative working practices (e.g. Levi and Linton, 2003). Similar to the often precarious situation of farm workers, smallholder farmers with no or few employees face wide-spread poverty and unstable livelihoods due to low and volatile revenues from commodity production. They lack access to efficient market outlets, agricultural extension services, land, credit, and infrastructure. Low productivity, wide-spread pests and diseases, and degrading environmental conditions further increase their vulnerability.

Contrary to the weak position of farmers, power in commodity chains is increasingly concentrated in the hands of a limited number of large multinational companies. This is connected to a fundamental restructuring of the agro-food system since the 1980s. On the one hand, neoliberal reforms have led to a retreat of the state in regulating production, trade and consumption of agricultural and food products. On the other hand, giant food companies and retailers have emerged as powerful chain actors who are transforming the global agro-food system towards the dominance of private global regulation (Friedmann, 1993; Goodman and Watts, 1997; Busch and Bain, 2004). These companies have become able to 'drive' and 'govern' agro-food chains, and determine how financial, material and human resources are allocated along the chains by establishing the terms of participation in chains (Gereffi et al., 1994; Humphrey and Schmitz, 2001; Gereffi et al., 2005).

The restructuring of governance structures in global commodity chains has considerable implications for the requirements for and returns of smallholder farmers' participation in these chains. Firstly, scholars argue that the distribution of the value added and income along chains has shifted away from producing countries towards powerful buyers (Talbot, 1997; Daviron and Ponte, 2005; Gibbon, 2005). Secondly, researchers discern a turn towards the use of private food safety and quality standards specifying the way a product is produced, harvested and processed (e.g. Ponte and Gibbon, 2005). Voluntary environmental and social standards have emerged as single business, civil society or multi-stakeholder initiatives and can be observed in sectors such as forestry (Cashore et al., 2004; Auld et al., 2008), coffee (Ponte, 2004; Muradian and Pelupessy, 2005; Raynolds et al., 2007), cut flowers (Hughes, 2001; Tallontire et al., 2005) and fisheries (Gulbrandsen, 2005). Such 'sustainability standards' are viewed as potential mechanisms to close the gap in the existing regulation by substituting public regulation with private rules for commodity production. This could countervail the competitive downgrading of environmental and social production practices in developing countries (Conroy, 2001). Moreover, standards can serve as tools for supply chain governance to develop new markets, provide quality and safety assurances to consumers, and manage reputation risks (Hatanaka and Busch, 2008). However, it largely remains unclear what the emergence of standards implies for developing countries. Proponents argue that standards present a new opportunity to add value, increase revenues, and lay the foundation for more sustainable and profitable commodity exports (e.g. Jaffee and Henson, 2005). Opponents caution that standards could lead to a marginalization of producers and developing countries that are not able to comply with the high requirements of standards or that cannot afford the high costs of compliance with standards (e.g. Dolan and Humphrey, 2000). Especially smallholder farmers regularly do not have the knowledge to comply with the rising production requirements demanded by international buyers, therefore facing great difficulties integrating into global commodity chains. But standards are not only technological tools associated with high certification costs and high knowledge demands, they also constitute an entire package of new social practices to be applied at the production level which are determined by different actor constellations of businesses and/or NGOs with little, if any, consultation of producers and other developing country representatives (Blowfield and Dolan, 2008). Subscribing to notions of inspection and auditing, "they extend property rights to where none previously existed" (Guthman, 2007: 457) and are pervaded by tensions over how food is produced and traded (González and Nigh, 2005).

These last points surrounding standards and smallholders reveal that the sustainability challenges of global agricultural commodity chains can be translated into a 'development problem' and an interrelated 'governance problem'. The development problem of commodities hardly needs underlining. Millions of cash-constrained smallholder farmers and workers in developing countries struggle to sustain their livelihoods, face increasing environmental degradation, and are unable to reap the benefits from commodity production. The disparities in bargaining power and information, the lack of access to credit, inputs and markets, the poor organization of producers and high transaction costs fortify a bias in commodity markets against smallholder farmers. Accordingly, integrating smallholder farmers in global commodity chains and ensuring sustainable production systems have been identified as key issues for rural development by producer country governments, donors and NGOs.

The governance problem of commodity chains is exposed by the inherent difficulties to protect environmental and human resources, and to facilitate the inclusion of developing country farmers. But who should or could regulate and steer commodity chains in a more sustainable direction? Traditionally, states have been charged with the task of regulating domestic business activity. However, the accelerated process of globalization has challenged the capacity of states to oversee cross-border economic activities, whilst developing countries already struggle to handle domestic business activities. The loss of steering capacity of governments is counteracted by the emergence of large multinational corporations as powerful agents in commodity chains epitomizing a drastic transformation in governance structures into 'buyer-driven' commodity chains. Consequently, new coordination mechanisms are needed that could address the sustainability challenges of commodity chains.

In response to both problems, researchers and policy-makers have increasingly sought after solutions that lie outside the classical realm of governmental and intergovernmental authority, and that involve the integration of private actors, be they from business or from civil society. This has turned attention to intersectoral partnerships aimed at promoting sustainable production practices along commodities chains, which have proliferated in recent years in several global agricultural commodity chains. Thus, partnerships can be viewed in the context of a development problem and a governance problem to which they potentially contribute.

1.3 Theoretical perspectives on partnerships in global commodity chains

Partnerships are here defined as collaborative, institutionalized arrangements between actors from two or more sectors of society – state, market and civil society –, which aim at the provision of collective goods. While this dissertation uses the term *intersectoral partnerships*, other terms found in the literature include tri-sector partnerships, multi-stakeholder alliances, public-private partnerships, global public policy networks or global action networks.

Two main strands of literature are particularly relevant for the study of partnerships in global commodity chains: first, the literature on (environmental) governance and second, the literature on development studies. The governance literature focuses on the changing relationships between state, market and civil society, and the manifestation of new 'governance' arrangements that include both state and non-state actors. Partnerships are an important part of this literature because they represent a specific type of governance arrangement. Partnerships are studied for their potential to serve as new governance instruments and solve global sustainability problems, such as biodiversity or global production issues and climate change. The development studies literature looks at constraints to and solutions for local economic and rural development. Partnerships have become increasingly common with donor agencies and development NGOs; most notably, in the fields of inclusive business, public service provision or local economic development. Accordingly, this literature strand explores partnerships to analyze their outcomes for poverty reduction and their wider implications for development.

While both strands of literature do not exclusively look at partnerships and much less at partnerships in global agricultural commodity chains – in fact, this is a relatively new field of application –, they can nevertheless contribute to this dissertation. Both types of literature deal with global challenges which often manifest at the local level in developing countries, or with local problems in developing countries that have a global dimension to them. Both strands also try to explain the emergence and implications of partnerships as new institutional arrangements. While the governance literatures originates from a state-based, rather top-down view, the development literature is characterized by a bottom-up, producer-oriented perspective. Functional explanations usually provide the starting point for contributions on partnerships, but are frequently viewed as insufficient to fully understand the partnership trend. Therefore, they are often followed by broader, more structural conceptualizations of partnerships on the one hand, and by narrower, more process-oriented considerations on the other hand. Although a number of scholars can clearly be attributed to either one of the three categorical angles, most often the angles deliberately overlap and complement one another.

A closer look at the two literature strands and the different perspectives therein will provide important insights into the different conceptualizations of partnerships. This will help to identify the knowledge gap and to position this dissertation in the debate on partnerships.

1.3.1 Conceptualization of partnerships in the governance literature

The partnership phenomenon emerged at the appearance of a trend in world politics which has been referred to as a shift from 'government to governance' and a turn towards 'governance without government' (Rosenau and Czempiel, 1992). This connotes a global system of rule which is not sustained by or contingent on the authority of an organized government, and which is characterized by collaborative forms of governing that include non-state actors (Rosenau, 1992; Stoker, 1998). Regulatory tasks of public actors are shared with or even transferred to non-state actors from business and civil society, and are often fulfilled through the use of market-oriented policy instruments (Cutler et al., 1999; Hall and Biersteker, 2002). This is manifest in the rise of various forms of public-private and purely private forms of governance, including intersectoral partnerships, in which authority is diffuse and the boundaries between public and private tasks have become blurred (Clapp, 1998; Cashore, 2002). While partnerships are not restricted to the environmental domain, the majority of literature refers to them in the context of global environmental challenges.

Various scholars conceptualize partnerships and governance in general as a response to the decreasing capacities of the state to solve the manifold problems posed by global change (Jessop, 1998; Stoker, 1998; Haufler, 2003). Accelerated levels of globalization, including the increasing importance of global markets for capital, goods and services, and the expansion of information technology and communication, as well as the cross-border nature of major contemporary environmental challenges create new interdependencies among actors, and render governments unable to effectively act unilaterally (Biermann and Dingwerth, 2004). This is even more accentuated through the ideological shift toward liberalization, privatization and deregulation by governments. As a result, private actors have become involved in governance processes and regulation in order to counteract the perceived governance gap, i.e., the absence or weakness of governmental regulation (Haas, 2004). This also implies that steering is exercised through means other than the controlled hierarchical structures of central government. Thus, new forms of governance have evolved because of a *functional* demand for effective governance solutions (Schäferhoff et al., 2009: 456). This does not indicate that governance takes place outside of the state, but rather that the holes in traditional governmental regulation require the involvement of private actors in governance processes, such as partnerships. Partnerships are presumed to have a greater capacity for problem-solving than either state hierarchies or competitive markets due to their ability to overcome problems of collective action (Börzel, 1998). They constitute a form of institutional innovation that is suggested to be able to correct the 'imbalance in international governance structures' (Kell and Ruggie, 2001: 321-322). This refers to the significant expansion of global economic rule making over the past decade, which has not been matched by comparable efforts on behalf of other global concerns, including the environment, human rights or poverty. However, the evidence of partnerships' effects remains largely inconclusive and is often contested. While partnerships have been shown to contribute to agenda-setting, knowledge production and discourse formation (Pattberg, 2005a; Witte and Reinicke, 2005), the picture is less clear with respect to their actual output. Research suggests that partnerships fulfill rule-setting functions to establish rules and norms for sustainable production and business behavior (Visseren-Hamakers and Glasbergen, 2007; Andonova et al., 2009). Yet, they perform considerably worse when it comes to policy and rule implementation (Biermann et al., 2007; Pattberg, 2010). The value of partnerships as a reaction to government failure thus appears ambiguous.

Other researchers take their cue from this functionalist conceptualization of partnerships, but argue that such demand-based analyses are insufficient to adequately capture the appearance and manifestation of governance. Pattberg (2007), for instance, suggests that governmental regulation does not always have to be lacking in order for new governance approaches to emerge. Rather, governance arises when societal actors perceive a certain problem to be insufficiently addressed by traditional command and control approaches. This points towards a *structural* dimension of governance, referring to a fundamental shift in the state-market-society relations and a new approach to managing society (Jessop, 1998). Firstly, this is expressed in the institutionalization of individual responsibility (Glasbergen, 2007). From a business perspective, this is often perceived as corporate 'self-regulation' to preempt government regulation, which is often considered inefficient, costly and even counterproductive, and to respond to stakeholder pressures (Ronit and Schneider, 1999; Arts, 2002). Haufler (2001) suggests that there has been a significant change in the business environment, largely caused by growing public pressure on firms, which has triggered a turn towards corporate social responsibility, stakeholder engagement and 'enlightened self-regulation' (O'Rourke, 2003). Initiatives by multinational companies, such as voluntary codes of conduct, are manifold and have received attention under the headers of corporate social responsibility (Carroll, 1999; Vogel, 2005), corporate citizenship (Matten and Crane, 2005) and corporate accountability (Valor, 2005). Firms are implementing these programs to reduce reputational risks, earn credibility and improve their positioning in the market place (Conroy, 2001).

The changing role of businesses coincided with a re-positioning of nongovernmental organizations, which have taken on a more active role in international issues since the early 1990s by means of a two-fold shift in strategy. Firstly, NGOs became increasingly disenchanted with the ability of governments to combat environmental problems, such as worldwide deforestation, in the face of slow intergovernmental processes and lack of implementation, and instead turned to the market to exert influence (Arts, 2002; Cashore, 2002). Secondly, in their interactions with businesses, several NGOs abandoned their confrontational strategies in favor of more cooperative relations, embracing companies rather than campaigning against them in order to change business behavior (Rondinelli and London, 2003; Van Huijstee and Glasbergen, 2010). Although NGOs have historically been suspicious of the use of the market mechanism, many of them view private regulation as a new source of leverage over multinational companies, which offers them the possibility to establish themselves as influential actors in environmental governance, and to raise social and environmental standards (Conroy, 2001; Doh and Teegen, 2002; O'Rourke, 2003).

This new involvement of business and civil society as well as the reconfigured relations and constellations among them indicate the second dimension of this "new image of the manageable society", namely the increased cooperation between stakeholders (Glasbergen, 2007: 16). This refers to a change in governing processes, which more and more draw on the involvement of actors beyond government, such as businesses and civil society organizations, and rest on shared responsibility (Lemos and Agrawal, 2006; Leroy and Arts, 2006). From this perspective, partnerships represent an institutional innovation that is able to engage the interests and capacities of state and non-state actors to provide public goods. This entails that not only are private actors from business and civil society expected to take over some responsibilities of the public sector, but simultaneously the state is to redefine its role and encourage the collaboration of stakeholders (Glasbergen, 2007). Accordingly, the state is no longer the sole agent of sustainable change, which obscures the boundaries between and responsibilities of the traditionally separated domains of society, and sets in motion a change in the long-lasting balance between public and private actors (Stoker, 1998). The political space is re-structured towards the creation of what Ruggie (2004) labels the 'new global public domain', which is in essence a transnational arena of discourse, contestation, and action concerning the production of global public goods, and which includes private as well as public actors. In consequence, scholars debate about the implications of governance for the liberal-democratic order and the relations between public and private responsibilities. While governance may complement existing governmental regulation, allow for greater participation and thus create greater legitimacy (e.g. Reinicke, 1999-2000; Andonova et al., 2009), it may also erode public authority, hollow out the state and distract attention from structural inequalities in society (e.g. Stoker, 1998; Glasbergen, 2007). Meadowcroft (2007a), for instance, cautions that governance initiatives, such as partnerships, are frequently based on weak representative and participatory foundations, making them susceptible to undermining democratic norms and practices. Studies also indicate that partnerships exhibit accountability deficits in terms of monitoring mechanisms and public information disclosure (Bäckstrand, 2008; Kaan and Liese, 2010).

A third group of scholars conceptualizes governance in a *process-oriented* manner as the institutionalization of new social practices, such as interaction, cooperation and mutuality. These new social practices are driven by a belief by the involved parties that complex policy problems, such as global sustainability challenges, require a different approach of policy-making which can exist in parallel to or even replace classical patterns of policy-making (Innes and Booher, 2003; Leroy and Arts, 2006). Intersectoral collaboration thus presents an alternative to more adversarial means of interaction of public and private actors, which also takes into account the increasing importance of specialized knowledge of different parties to address sustainability issues (Ansell and Gash, 2008). In other words, "governance [...] emerges out of a context of interaction that is institutionalized and of a more permanent nature" (Falkner, 2003: 73). This indicates a new steering logic in which governance is expressed through the interactions among stakeholders in a process of societal self-steering (Meadowcroft, 2007b). Collaborative governance is based on the premise of mutual dependence, denoting that no single actor can individually address and solve the issues at stake. Therefore, stakeholders cooperatively engage in problem-solving by means of deliberation, reflection and organizational learning to achieve a reconciliation of differing interests. These cooperative processes are also thought to facilitate the transfer and application of knowledge and other resources among the actors involved, ultimately leading to more effective collective problem-solving (Witte et al., 2003). On an individual level, willingness to partake in collaborative governance is driven by the 'win-win' logic, indicating that collaboration is likely to emerge when each partner can derive value from the collaboration and receive access to resources that they would otherwise not have (Brinkerhoff, 2002; Rondinelli and London, 2003). Ideas of dialog, trust, reciprocity and sharing of resources take center stage in order to realize mutual benefits (Vangen and Huxham, 2003). In this way, collaborative governance recognizes and is oriented towards exploiting the interdependencies in the relationships between actors to realize consensus-building and joint problem-solving. However, studies are inconclusive as to whether partnerships actually promote deliberation and win-win solutions. This is largely due to the weak credentials of partnerships with regard to participation and representation. Different researchers have commented that partnerships strengthen the participation of already powerful actors, whereas affected but resource-poor stakeholders are underrepresented (Biermann et al., 2007; Pattberg, 2010). "While some partnerships have a true multi-stakeholder character with wide representation of governments and major stakeholder groups, these are an exception rather than a rule" (Bäckstrand, 2006: 301). This negatively affects the quality of deliberation, which, in consequence, often remains cosmetic and symbolic (Bäckstrand, 2008).

1.3.2 Conceptualization of partnerships in the development literature

The development literature examines partnerships in the context of a paradigm shift in the political economy of international development. In the 1980s, state-led development models began to be replaced by market-driven alternatives, following the argumentation that corporations and not states were the primary agents of development (Reed and Reed, 2009). While corporations were initially considered as mere engines of economic growth without any direct engagement in poverty reduction, this partially changed during the

1990s. Growing dissatisfaction with the predominantly economic measures of development led to the emergence of new concepts to express a more holistic approach to development, among which the notion of sustainable development gained particular prominence (Van Tulder and Fortanier, 2009). This concept prescribes that economic development is to be combined with social equity and environmental protection, and that business is to make an active contribution to development, next to other actors such as governments, NGOs and local communities. Previously regarded as the "enemies, unconscious engines, or ungrateful beneficiaries of development" (Bendell, 2005: 363), businesses are now considered to play a vital role in international development and poverty alleviation by means of corporate social responsibility activities (Blowfield, 2005). Among others, the contribution of business is sought through the formation of partnerships, which are increasingly viewed as new market-based development instruments by donors, development agencies and NGOs. Global commodity chains are one of the main fields where such partnerships have been put into practice since the late 1990s.

Similar to the governance literature, the development literature conceptualizes partnerships from three perspectives. In a *functional* explanation, partnerships are approached as instruments to overcome the inability of individual actors to solve the development problems associated with global commodity chains. In developing countries with structural problems of poor infrastructure, the inadequacy of single-actor approaches is rooted in different kinds of 'failures' associated with unilateral action of market actors, governments, donors, and civil society organizations. In this manner, partnerships are suggested to overcome different kinds of coordination and market failures, arising from information asymmetries between producers and buyers, market power, imperfect competition, and scale diseconomies. Combined with the absence of capital markets and distorted/lacking input markets, these constraints lead to high transaction costs for smallholder farmers, and thus, to an uneven development biased against smallholders (Kirsten and Sartorius, 2002). Other authors point out that partnerships are not only a reaction to market failure but also to the failure of governments to provide public goods and deliver social and economic development (Kolk et al., 2008; Utting and Zammit, 2009). Before the liberalization agenda of the 1980s and 1990s, many governments responded to market failures by taking over private roles in agriculture dealing with the provision of inputs, credit and marketing services. The results, however, were poor because government interventions were often ill-informed, poorly implemented and subject to rent-seeking and corruption (The World Bank, 2007). After liberalization and the retreat of the state, the other side of state failure became visible – the failure to provide "the institutional support required for privatized competitive markets to become effective in the challenging conditions where poverty is most intractable" (Dorward et al., 2005: 5). Furthermore, one can speak of 'donor failure' pointing to the wide-spread evidence that development assistance of the past few decades has not managed to adequately assist poor people, promote sustainable rural livelihoods and growth, and involve local populations in development projects (Riddell and Robinson, 1995; Fisher, 1997; Easterly, 2003). Similarly, NGOs have not managed to address smallholder constraints that both the market and public sector have not been able to solve, giving rise to insinuations of ‘NGO failure’ or ‘good intentions failure’. While NGOs were welcomed enthusiastically in the 1980s and 1990s as alternatives in development, NGO interventions have increasingly been criticized for neither benefitting the poorest of the poor, nor creating bottom-up development processes (Bebbington, 2005; Kolk et al., 2008).

The solution to single-actor failures is seen to lie with multi-actor collaboration where the resources and market knowledge of business can be joined with the capacities and bottom-up, pro-poor orientation of development agencies and NGOs (Utting and Zammit, 2009). By encouraging the engagement of different actors, partnerships are also considered a means to leverage new resources and create win-win situations where actors can benefit from each others’ comparative advantages, without necessarily having to share the same objectives (Ros-Tonen et al., 2007). Thus, partnerships “add a new dimension to the development effort, which has the potential to increase the effectiveness of each partner’s effort” (Van Tulder and Fortanier, 2009: 229). Particularly in fragmented commodity chains, partnerships provide a framework to bring together the key actors, including powerful lead firms, needed to design and implement effective solutions to the sustainability challenges of commodity chains (Weidinger and Schmitz-Hoffmann, 2007). While the donor discourse tends to emphasize the potential of partnerships to improve the position of farmers in global agro-food chains and conserve environmental resources (e.g. Springer-Heinze, 2007; The World Bank, 2007), little is actually known on their impact and effectiveness. On the one hand, this lack of knowledge is caused by a general difficulty to measure the outcomes of development interventions, including partnerships, using the recognized approaches of the international development community (Blowfield, 2007). On the other hand, observers suggest that different stakeholders may not want to know the effects of partnerships, as it allows them to capture the moral high ground without there being any hard evidence that effectiveness is lacking (Blowfield, 2007; Lund-Thomsen, 2009).

In a more *structural* approach, partnerships are studied in the context of the changing relations between state, market and civil society in international development. Firstly, this refers to the new role of business in the development process. By means of partnerships, the development potential of large businesses is to be exploited in light of the fact that private investments in developing countries clearly exceed the influx of official development assistance (The World Bank, 2006; The World Bank, 2007). The important role of business is most pronounced in global agro-food chains, where large multinational companies not only have substantial resources, but also considerable power and influence on how trade is conducted. Thus, businesses are needed to implement chain-wide innovations and connect smallholder farmers to global markets (Weidinger and Schmitz-Hoffmann, 2007). Secondly, this refers to changing relations of established development actors with business.

For governments, partnerships with private sector parties offer a means to enhance the functioning of commodity chains while cutting government expenditures and reducing its area of responsibility. Similarly, NGOs increasingly opt to explore the positive contributions that companies can make towards development and start viewing businesses as part of the solution instead of as part of the problem. By cooperating with businesses, NGOs seek to achieve a development impact on a scale that is seldom reached when they act unilaterally (Fowler, 2005). This concurs with the mainstream discourse in development emphasizing dialog and organizational learning as key ingredients for institutional change (Utting and Zammit, 2009). Thus, pragmatic relations rather than social contestation prevail. Moreover, as government funding is declining, while the activities of development organizations are expanding, businesses represent a new source of funding for both development NGOs and aid agencies (Ashman, 2001). This leads to increasing room for a common denominator around which governments, businesses and NGOs can meet. However, researchers have received the new roles and relations of actors in development with skepticism and in some cases, downright criticism. Focus of the debate is the potential of business to act as 'change agents' in economies and societies (Van Tulder and Fortanier, 2009). Whilst it is generally agreed that partnerships will always be led by corporate interests – if businesses are involved – the point of contention centers on whether this hinders or enables partnerships to make positive contributions to development. Critics argue that there are fundamental problems with the expectation to achieve development goals through partnerships due to the use of the market mechanism, which leaves no independence of social development from market forces (Frynas, 2005; Amanor, 2009). By privileging business interests, partnerships are said to be "part and parcel of the structuring and legitimization of a global economic system that is […] molded and controlled by global corporations and corporate elites" (Utting and Zammit, 2009: 45). Thereby, partnerships consolidate the dominant discourse of neo-liberal globalization, crowd out other forms of development assistance, and do little about the situation of poor and marginalized people (Gregoratti, 2009; Reed and Reed, 2009). Moreover, researchers caution that the blurring between market and development-oriented logics may result in cooptation of the latter instead of injecting social aspects into the former (Fowler, 2005; Prieto-Carron et al., 2006).

Finally, partnerships are conceptualized from a *process-oriented* perspective as a consequence of a new technocratic and managerial approach to development. Donor agencies and development NGOs increasingly work on the basis of commercial principles, configuring their work as service provision and their intended beneficiaries as clients (O'Laughlin, 2008). Under the wider shift towards market-based development, there has been an increasing emphasis on measurable targets, cost recovery, professionalized staff relationships and the dominance of competition. This has brought development organizations into close contact with the corporate world (Utting and Zammit, 2009) and its "management techniques and can-do attitudes" (Knorringa and Helmsing, 2008: 1058). Therefore, the collaboration with other actors, particularly businesses, is sought to improve service delivery, reduce costs, and enhance effectiveness (Brinkerhoff and Brinkerhoff, 2004). Partnerships prescribe a particular organizational form based on managerial pragmatism which is criticized for ignoring power imbalances and thereby facilitating a rather restricted notion of development (Blowfield, 2003; Reed and Reed, 2009). Researchers argue that this makes partnerships susceptible to endorsing more powerful actors, especially large businesses, whereas developing countries are underrepresented (Biermann et al., 2007). This raises questions about the role community stakeholders play in influencing the objectives of partnerships, and the accountability of partnerships to their beneficiaries. Empirical studies have found local stakeholders to be hardly involved in key decision making processes (Gregoratti, 2009; Rein and Stott, 2009), rendering partnerships to be as potentially exclusive as conventional 'top down' approaches (Blowfield and Dolan, 2008). As a consequence, partnerships are seen to be predominantly driven by supply-side incentives on the part of large multinational corporations rather than by developing country and small community demands (Hale and Mauzerall, 2004).

As key points, both the governance literature and the development literature conceptualize partnerships as a functional response to the demand for new governance and development tools, as a manifestation of the structurally changing roles and responsibilities of societal actors in the context of sustainable development, and as a reflection of new styles of organizing the processes and interactions among different stakeholders. Thus, in recognition of the mutual dependencies in a changing world, partnerships are endorsed as new institutional arrangements with greater potential problem-solving capacity. However, the literature also raises critical questions regarding the implications of partnerships. The questions center predominantly on the largely unknown effectiveness of partnerships, and on the concern that partnerships exhibit representation and accountability deficits, which may lead to the dominance of business interests and the marginalization of other stakeholders' interests, particularly from developing country actors. These objections cast doubt on the capacity of partnerships to fulfill the hopes vested in them. It is clear that partnerships are contested, and that their performance is likely to vary. This contention is the crux of the matter, as research has so far raised more questions than it has been able to answer. Are partnerships important tools for sustainable change in agricultural commodity chains? What type of change do they promote? What are the implications of partnerships for the development problem and the governance problem of global commodity chains? What are the potentials and limitations of partnerships? Clearly, there is no ubiquitous answer to all of these questions. The uncertainty surrounding partnerships is largely due to the early stages of empirical research on partnerships and the novelty of partnerships themselves. Thus, the specific and overall capacity of partnerships to promote sustainable change in global agricultural commodity chains is insufficiently understood.

1.4 Research aim and research questions

Considering the gap in knowledge on partnerships, this dissertation aims to analyze the capacity of partnerships to promote sustainable change in commodity chains and thereby advance our understanding of partnerships.

In order to specify this relatively broad research aim, we first need to consider the concept of 'capacity'. Capacity is a term that neither has a tested body of theory nor a commonly accepted definition. Different actors and different disciplines have their own understanding of capacity, making it an inherently complicated concept. In the practice of development cooperation and in the literature on partnerships, the term capacity is frequently used as an empirical rather than theoretical construct in two ways. The first usage of capacity refers to what might be called the 'input capacity' of partnerships, such as their organizational, financial and personnel capacity (e.g. Biermann et al., 2007; Abbott and Snidal, 2009). Thus, the analysis focuses on whether partnerships have the resources and capabilities necessary to achieve their stated objectives.

The second usage of capacity considers the 'outcome capacity' of partnerships (e.g. Börzel and Risse, 2005; Bäckstrand, 2006). Along these lines, Fukuda-Parr et al. (2002: 8) view capacity as "the ability to perform functions, solve problems and set and achieve objectives." Even more plainly, Baser and Morgan (2008: 34) define capacity as "the overall ability of an organization to create public value". Capacity is also required to have some sense of permanence or sustainability (UNDP, 1998). Thus, capacity is equivalent to the *ability to do something*, for instance, to pursue strategies and perform functions, in order to achieve certain (long-lasting) outcomes and results.

This dissertation primarily follows the view on capacity as an outcome-oriented concept. Therefore, the capacity of partnerships is defined as the *ability to promote sustainable change in global agricultural commodity chains by means of pursuing distinct strategies and performing distinct functions*. Sustainable change in agricultural commodity chains refers to a shift in the configuration and functioning of commodity chains that addresses their sustainability challenges. The notion of sustainable change is further operationalized in the following chapters through a qualitative assessment and can, for instance, be translated into the promotion of sustainable production practices, the facilitation of inclusive chains, the creation of new institutions, or the formation of innovative networks. Sustainable change can be viewed from a governance perspective and from a development perspective, mirroring both the earlier distinction between a development problem and a governance problem of global commodity chains and the two main strands of literature used in the dissertation.

Capacity is not an autonomous property of partnerships, but emerges from the interplay of a myriad of contextual, managerial, economic, social and human factors (Baser and

Morgan, 2008). Most importantly, the capacity of an organization is shaped by its institutional context and by its network relationships to other organizations (Morgan, 2006). This latter factor links up to the idea that capacity is also dependent on social and organizational networks, that is, on the horizontal links to other relevant organizations. Various scholars have argued that the capacity of individuals, organizations or communities is directly related to the strength of their social capital, referring to the horizontal relationships that are based on cooperation and trust (e.g. Putnam, 2000; Adler and Kwon, 2002).

Recognizing that the capacity of partnerships needs to be seen in connection to external factors takes us to the complexity of the structure-agent debate. On the one hand, the capacity of partnerships is expressed through the strategies and functions they perform (agency). On the other hand, the capacity of partnerships is influenced by their embeddedness into context and into horizontal relationships (structure).

This view on capacity leads to the following research question:

What is the capacity of partnerships to promote sustainable change in global agricultural commodity chains, how does this capacity manifest itself, and to what extent does it depend on the strategies, institutional context and network relations of partnerships?

To make this comprehensive research question more attainable, specific subthemes are addressed by five individual research projects, which together aim to answer the main research question (chapters 2-6). These projects are each guided by one of the following sub-questions:

i. *What is the capacity of partnerships to contribute to sustainable development and to influence the governance structure of commodity chains?*

Chapter 2 aims to answer this question by studying twelve partnerships in the global coffee chain. The analysis centers on the use of standards by partnerships and the extent to which these partnerships promote new governance and coordination practices along the coffee chain.

ii. *What is the capacity of partnerships to strengthen the assets of smallholder producers and their organizations?*

Chapter 3 looks at this question by analyzing the local level effects of six partnerships in the coffee sector in Peru. The chapter discusses the sustainability outcomes of these partnerships to identify the effects and limitations of partnership activities on the ground.

iii. *What is the relationship between the organizational features of partnerships and the outcome capacity of partnerships to facilitate smallholder inclusion in value chains?*

Chapter 4 focuses on this question by connecting internal organizational features of partnerships to the output of these partnerships regarding the institutional challenges that hinder smallholder farmers to participate in value chains.

iv. *To what extent is the capacity of partnerships to promote sustainable change influenced by external institutional factors?*

Chapter 5 explores this question by examining five cotton partnerships in sub-Saharan Africa, and establishes in how far the influence of institutional factors is related to the strategies pursued by these partnerships.

v. *To what extent is the capacity of partnerships to promote sustainable change influenced by their network relationships with other partnerships?*

To answer this question, chapter 6 looks at 55 partnerships in the global cocoa sector to identify the relations between these partnerships, their emergence over time and their functional implications.

A brief positioning section will introduce each chapter and indicate the contribution of the chapter to the overall research question. The positioning section will also articulate the connection between the chapters and explain the function of the specific conceptual frameworks used.

1.5 Research approach

1.5.1 Case studies: the three C's

The empirical chapters examine a large and diverse sample of partnerships in the coffee, cotton and cocoa chains, both to assess the partnership practice and to contribute to the theoretical perspectives of this dissertation.[1]

Coffee, cotton and cocoa serve as representative case studies both with regard to the development problem and the governance problem of global commodity chains. They all belong to the category of traditional tropical export commodities, although cotton is also

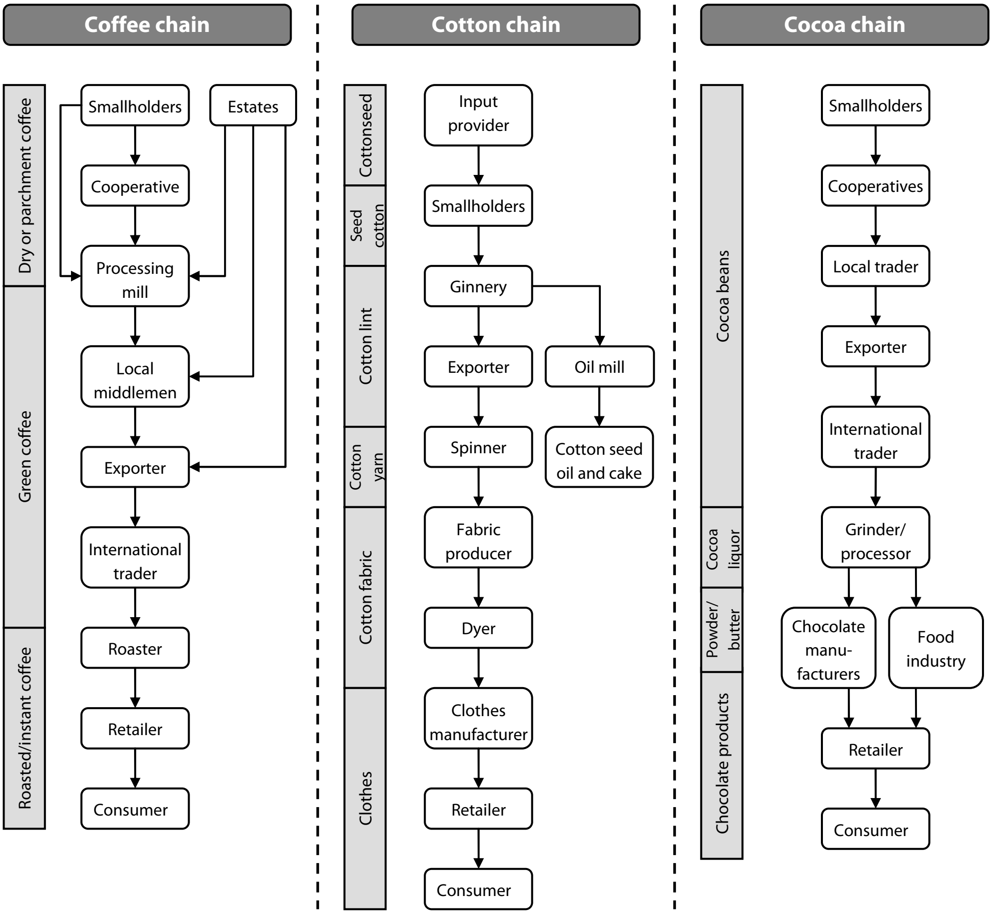
[1] One chapter also includes case studies from other value chains, but these are based on primary research conducted by external authors.

produced in sub-tropical regions of developed countries. Even today, in a context where the terms of trade declined significantly over the past half century and where the share of traditional commodities in the exports of developing countries has decreased in favor of non-traditional exports, such as fruit and vegetables, these commodities are cultivated on a large scale in many developing countries. Coffee, for instance, is the second most valuable commodity exported by developing countries after crude oil (Talbot, 2004). Just like cotton and cocoa, it provides a livelihood for millions of rural families. Traditional export commodities are particularly important for low income countries where small-scale agriculture is the dominant production method and accounts for the majority of national GDP.

Throughout much of the developing world, the production of coffee, cotton and cocoa remains predominantly a smallholder activity, which is one of the reasons why these commodities are central in the sustainability debate. They are at the heart of political contests over how commodity chains should be regulated, and what the consequences and opportunities of globalization for smallholder producers are. For some observers traditional commodities emblematize the “north-south inequality in the world economy” (Talbot, 2002: 702), while for others they constitute a “promising sector for pro-poor growth” as they allow “developing countries to capitalize on their natural production advantages, while reaching out to the rural poor through backward linkages to the farmers” (Stamm, 2008: 23).

Smallholder production of coffee, cotton and cocoa used to be organized under national systems of regulation in most countries. However, a fundamental restructuring of global chains since the late 1980s has led to the dominance of private forms of vertical integration. Many economic actors and processes are involved from commodity production to consumption, linked together in interorganizational networks (see figure 1.1).

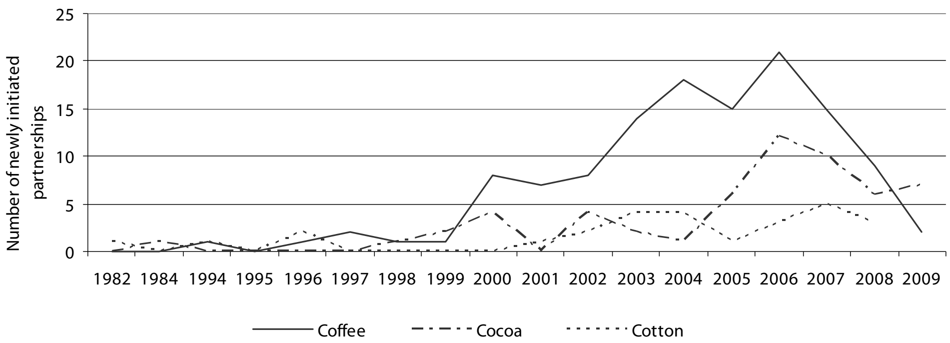
Figure 1.1 General structure of the coffee, cotton and cocoa chains



Coffee, cotton and cocoa are commodities that only go through limited processing and value addition in their countries of production. An alternative approach to add value is the de-commodification of the produce through the adoption of ethical standards. This also addresses the exploitation of environmental and human resources at the production level – issues that have repeatedly resurfaced over the years for all three commodities. Coffee is among the first commodities for which such standards emerged, initially organic and Fairtrade and later on also mainstream sustainability standards. Cotton, on the other hand, for which Fairtrade certification was only introduced in 2005, is one of the latecomers in this regard.

All three chains have also witnessed the emergence of corporate social responsibility activities of large multinational companies and the related rise of partnerships since the late 1990s (see figure 1.2). In order to gain an overview of partnerships, we compiled a comprehensive data base listing all existing and former partnerships in coffee, cocoa, and cotton chains[2], providing information on the actors, aims, start/end dates and locations of partnerships. This resulted in a list of approximately two hundred large and small partnerships worldwide positioned along the chains. All partnerships are intersectoral, thus between two or more parties from different societal domains (state, market and civil society). Particularly coffee constitutes a frontrunner commodity in terms of partnership occurrence with more than 125 partnerships found. Cocoa counts more than 50 partnerships and cotton 25. Therefore, all three commodity chains offer a significant number of partnerships as potential case studies.

Figure 1.2 Emergence of partnerships



By looking at three different commodity chains and several partnerships located therein, this dissertation takes up a comparative perspective which allows for the results of the individual chapters to be placed into the wider context of partnerships in agricultural commodity chains in general.

1.5.2 Concepts and methods

This dissertation uses two main concepts: *partnerships* and *global agricultural commodity chains*. The first concept already received considerable attention in this introduction; the second one will now be introduced. Agricultural commodities are primary products which tend to be homogeneous and interchangeable, and thus do not exhibit significant variation even if grown in different parts of the world. A commodity chain is defined as a "network of labor and production processes whose end result is a finished commodity" (Hopkins and Wallerstein, 1986: 159). "Global commodity chains are structures that connect actors across space – not only to each other, but also to world markets. They can thus be thought of as the infrastructure of international trade" (Bair, 2009: 9). Since the early 2000s, various scholars

[2] Our list is essentially confined to partnerships in the English, Dutch, Spanish and German language domains.

have criticized the term *commodity* chain for its reference to primary bulk products without being applicable to differentiated, high-value agricultural and food products. As a result, many researchers abandoned the term and instead speak of global *value* chains; sometimes as a synonym (e.g. Daviron and Ponte, 2005), other times to emphasize recent conceptual developments in this research field (e.g. Bair, 2009). Scholars have also criticized the term *chain* for being too linear, rigid and deterministic, and instead refer to *networks* to capture the multiple relational and geographical forms and directions between production and consumption (e.g. Dicken et al., 2001; Henderson et al., 2002). This dissertation uses the term *commodity* in a generic way in recognition of the original characteristics of coffee, cotton and cocoa, but explicitly takes into account the potential of value addition and product differentiation. The *chain* metaphor is adopted because of current conventions, although the term network could just as easily have been applied. The term (commodity) 'sector' is also used in the dissertation, for instance, in chapter 3 ('Peruvian coffee sector') and chapter 6 ('global cocoa sector'). This is to indicate a horizontal focus of the chapter, e.g., on the national industry level or the global industry level, and to temporarily move away from the rather vertical connotation of the term chain. Apart from this slight distinction, there is no further theoretical affinity associated with the term 'sector'.

Different theoretical perspectives, concepts and methods are applied throughout the dissertation to generate different insights into the capacity of partnerships in global agricultural commodity chains. Concepts that are used include global commodity chain (GCC) analysis and convention theory, the asset-based approach (related to the sustainable livelihoods approach), institutional theory and network analysis. All chapters follow a 'single' or a 'double' case study approach. This refers to the number of partnerships and the number of chains studied. Most chapters look at one particular commodity chain and at a varying number of partnerships, ranging from five to twelve. Other chapters broaden the focus either by looking at several chains or by studying a larger sample of partnerships. The research methods include literature reviews, document and secondary literature studies, analyses of partnership reports, presentations, newsletters and websites, participant observation, semi-structured interviews by phone or in person, informal conversations, and, finally, a two months field trip to partnerships' sites as well as smallholder coffee and cocoa plantations in Peru.

The concepts and methods will be further explained in each of the empirical chapters

.

Positioning chapter 2

Chapter 2 aims to answer the following research question:

What is the capacity of partnerships to contribute to sustainable development and to influence the governance structure of commodity chains?

The first empirical chapter of this dissertation serves to commence the analysis of partnerships in global agricultural commodity chains. It strongly follows the overall research question of the dissertation in order to raise the issues relevant to this dissertation, and to commence unraveling the partnership phenomenon. For this reason, it looks at the global coffee chain as a frontrunner commodity in terms of partnership occurrence, and analyzes twelve partnerships that include some of the largest coffee chain actors. These partnerships are compared to Fairtrade, which acts as a strategic benchmark to explore the extent to which partnerships differ from the mainstream coffee market. Fairtrade is generally considered to contrast strongly to the mainstream market on account of its aim to modify the existing governance structure of global agro-food chains. Therefore, Fairtrade functions as a reference point 'opposite' the mainstream market against which the contribution of partnerships to sustainable development can be assessed. The contribution of partnerships is understood in a two-fold way; firstly, in a generic way to capture the role of partnerships in addressing the sustainability challenges of the coffee chain, and secondly, in a more specific way to study the contribution of partnerships to changing governance structures and coordination practices along the chain. An analytical framework combining Global Commodity Chain Analysis and Convention Theory will accommodate the analysis.

The chapter first takes a closer look at partnerships by examining the actors involved and the chain level of partnership activities. It then focuses on the functions of partnerships and how these functions link to the sustainability challenges of the global coffee chain. This is followed by an analysis of the standards and codes of conduct promoted by partnerships. Finally, the chapter aims to shed light on the transformative capacity of partnerships by evaluating if and how they promote new governance and coordination practices along the coffee chain. The chapter concludes with a critical discussion on the capacity and limitations of intersectoral partnerships in the coffee chain.

The chapter was written in collaboration with Mara Francken and Pieter Glasbergen, and was published in Global Environmental Change. The full reference is:

Bitzer, V., Francken, M. and Glasbergen, P. (2008) 'Intersectoral partnerships for a sustainable coffee chain: Really addressing sustainability or just picking (coffee) cherries?' *Global Environmental Change* 18(2), 271–284.

2 Intersectoral partnerships for a sustainable coffee chain: Really addressing sustainability or just picking (coffee) cherries?

2.1 Introduction

In recent years intersectoral partnerships between two or more parties from different societal domains – state, market and civil society – have attracted the attention of researchers and professionals alike, and policy-makers around the world have emphasized their relevance for promoting sustainable development. Partnerships are defined as voluntary and collaborative arrangements between actors from two or more sectors of society that have an institutionalized, yet non-hierarchic structure and strive for a sustainability goal (Glasbergen, 2007). While such partnerships exist in different kinds of sectors and on different kinds of issues, this chapter will focus on partnerships in the global coffee chain. Like many tropical agro-commodities, coffee is characterized by Southern production and Northern consumption and thus constitutes a main link connecting less developed countries to global markets.[3] Coffee is grown in more than 60 developing countries worldwide by around 25 million farmers, the majority of which are smallholders using less than 10 hectares of land (Gresser and Tickell, 2002). Since the 1960s, the coffee sector was governed through the International Coffee Agreement (ICA), which established a target price for coffee and allocated export quotas to each producing country. Ponte (2002: 1104) states that "although there were problems with this system, most analysts agree that it was successful in raising and stabilizing coffee prices". However, in 1989, the ICA regime collapsed and the power balance in the global coffee chain changed distinctly. On the one hand, the liberalization of agricultural markets in producing countries led to a decline in government intervention in the export and marketing processes; on the other hand, the end of the ICA triggered an increased 'buyer drivenness' of the coffee chain with international traders, retailers but most of all roasters emerging as the powerful agents in the chain. Reflective of this statement is the high firm concentration in the roasting industry: five roasters control around 45% of the worldwide roasted and instant coffee market (Gresser and Tickell, 2002). The intensified concentration of power also affected the value added and income distribution along the chain. While in the 1980s the proportion retained in coffee consuming countries oscillated around 51% and coffee growers received

[3] Over 90% of global coffee production takes place in the South, while consumption takes place mainly in the North. Only Brazil as a top producer is at the same time a major consuming country. In Africa the exception is Ethiopia, which is a big producing country and also features substantial coffee consumption (Ponte, 2002).

20% of the total coffee income, this proportion altered to 78% versus 13% in favor of the consuming countries (Talbot, 1997). Most notably since the end of the International Coffee Agreement, the terms of trade for coffee have declined significantly, while worldwide production has increased substantially, resulting in a chronic situation of oversupply and a major 'coffee crisis' at the beginning of the millennium. The precarious revenue situation for coffee farmers is further intensified by high short-term price volatility. Combined with the lack of strict regulation and/or the absence of enforcement mechanisms for the protection of public goods, these for the most part systemic sustainability challenges at macro level foster the externalization of costs and culminate in manifold sustainability challenges at production level, such as poor working conditions, environmental degradation and biodiversity decline. Many farmers also lack the knowledge to ensure efficient and high quality coffee production. Together these sustainability challenges make coffee a prime example for the problematic issues associated with many agro-commodities. Intersectoral partnerships attend to these problems and have experienced considerable growth over the last decade. Often these partnerships are aimed at standard setting with the objective of environmentally friendly and socially responsible coffee production and encompass voluntary codes of conduct and certification schemes. However, those and other partnerships found in the coffee chain have not yet been comprehensively studied and there is no general understanding of the actual contribution of partnerships to addressing the sustainability challenges of the coffee chain. Consequently, this chapter explores and analyzes the role of partnerships in making the global coffee chain more sustainable. Our central research question is:

To what extent do intersectoral partnerships contribute to a more sustainable global coffee chain and how can this be explained?

To begin with, we present our research strategy and the partnerships which are studied in this chapter. The next section explains the main features of our conceptual approach for analyzing partnership influence on chain governance which incorporates Global Commodity Chain (GCC) analysis and Convention Theory. This is followed by a first portrayal of partnerships with the aim of shedding light on the actors involved in partnerships and the chain level that partnerships work on. We then focus on the functions partnerships fulfill and how these functions link to the sustainability challenges of the coffee chain. Due to the significance of standards and codes of conduct in the context of partnerships, we address the issues connected to them in a separate section. After having considered the scope of partnerships, we examine the influence of partnerships on the governance of the coffee chain with the help of GCC analysis and Convention Theory. We conclude this chapter by reflecting on our findings with a critical discussion on the added value and limitations of intersectoral partnerships in the coffee chain.

2.2 Research strategy

This chapter is based on a literature study and 18 semi-structured in-depth interviews. The literature study comprised literature on intersectoral partnerships (also referred to as cross-sector partnerships, cf. (2005) and van Huijstee et al. (2007)), global commodity chains, in particular the coffee chain, and sustainability initiatives in commodity chains, such as Fair Trade or organic agriculture. The interviews were conducted with partnership actors coming from non-governmental organizations (NGOs), companies and producer organizations, and with experts of the coffee sector outside of partnerships from academia and civil society, such as Max Havelaar (Fair Trade).[4] By means of these interviews, complemented by an internet search, we have established a list of partnerships of which we have chosen to study 12 exemplary partnerships (see table 2.1) that include, in terms of market share, some of the worldwide largest coffee roasters (e.g. Kraft Foods, Nestlé and Sara Lee), coffee traders (e.g. Ecom Agroindustrial, Neumann Kaffee Gruppe and Volcafé) and retailing companies (e.g. Ahold). Partnerships with the international coffeehouse chain Starbucks complete our list of representative partnerships within the global coffee industry. Together these partnerships also use diverse standards and codes of conduct representative of those existing within the coffee industry.

We have chosen Fair Trade coffee to act as a strategic benchmark against which we compare the partnerships. Although sometimes regarded as a partnership, Fair Trade originally emerged in the 1960s as an alternative market system, which sought to create a market for products from marginalized producers and workers in the South. In contrast to the conventional coffee market characterized by a buyer-driven governance structure, Fair Trade was set up to change the existing trade relations dominated by large international buyers and empower Southern producers (Renard, 2005). Having Fair Trade as a strategic reference point opposite the conventional market becomes most relevant when looking at the influence of partnerships on the governance of the coffee chain. Our benchmark choice, however, does not entail any normative preference for Fair Trade, nor does it try to refurbish the Fair Trade concept while neglecting its downsides.

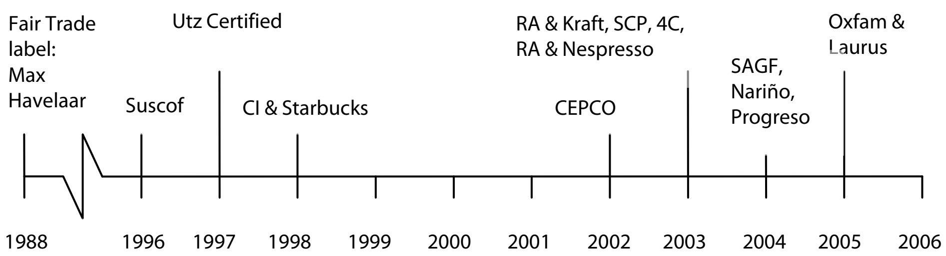
[4] Producers and producer organizations (including cooperatives, regional or national umbrella associations, etc.) are generally underrepresented in partnerships and only few partnerships include producer organizations as true partners. Since only two out of 18 interviews have been conducted with representatives of producer organizations, the imbalance in the current partnership practice is reflected in our interviews, leading to an underrepresentation of the opinion of producers in this chapter.

Table 2.1 Case studies

Partnership		Short	Active (in)
1.	Common Code for the Coffee Community	4C	Worldwide
2.	Utz Certified(formerly Utz Kapeh)	Utz Cert	Worldwide
3.	Sustainable Coffee Partnership	SCP	Worldwide
4.	Conservation International and Starbucks (and USAID)	CI & Starbucks	Mexico
5.	Starbucks, Ford Foundation, Oxfam American and CEPCO	CEPCO	Mexico
6.	The Sustainable Coffee Project	Suscof	Costa Rica
7.	Oxfam UK and Matthew Algie: Progreso Coffee Shops	Progeso	United Kingdom
8.	Sustainable Agriculture Guarantee Fund	SAGF	Latin America, Africa
9.	Oxfam Novib and Laurus	Oxfam & Laurus	The Netherlands
10.	Nariño Coffee Programme	Nariño	Colombia
11.	Rainforest Alliance and Kraft	RA & Kraft	Latin America
12.	Rainforest Alliance, Nespresso, ECOM and the International Finance Corporation	RA & Nespresso	Latin America

The timeline beneath illustrates in what years the partnerships were initiated and also indicates the relevance of Fair Trade as a benchmark: Fair Trade represents the first sustainability initiative to which the other partnerships may have reacted (Figure 2.1).

Figure 2.1 Start dates of partnerships



2.3 Analytical framework

Our analytical framework combines aspects of Global Commodity Chain analysis and Convention Theory in order to help us evaluate if and how partnerships promote new governance and coordination practices along the coffee chain, thereby shedding light on the transformative potential of partnerships in global commodity chains.

Governance in the context of global commodity chains refers to the power relationships between actors and the way financial, material and human resources are allocated along the chain (Gereffi et al., 1994). According to Humphrey and Schmitz (2001), a chain is governed if certain firms set and/or enforce the parameters under which other actors in the chain operate. In particular the following four parameters define the production process (in its widest sense, including quality, logistics and other intermediary phases of production) (Humphrey and Schmitz, 2001: 4):

(1) What is to be produced?

(2) How it is to be produced?

(3) When it is to be produced?

(4) How much is to be produced?

The actor or organization that is in the position to set these governance parameters – the first two being the most significant ones – can be considered the 'lead firm. It then turns into a matter of *coordination* to separately implement and manage these parameters (Kaplinsky and Morris, 2001). Consequently, the power to set parameters is closely linked to chain coordination as exercised by the lead firm (Petkova, 2006).

In order to analyze the influence of partnerships on the global coffee chain and its governance, we make use of two methodological instruments: Global Commodity Chain (GCC) analysis and Convention Theory. Conceptualized as an abstraction, a commodity chain is defined as a "network of labor and production processes whose end result is a finished commodity" (Hopkins and Wallerstein, 1986: 159). GCC analysis applies a framework composed of four dimensions. The *input-output structure* and *geography* outline the configuration of the specific chains, such as the dispersion of the production and consumption activity. The *institutional framework* contains the regulatory conditions and policies which shape the commodity chain. However, it is the final dimension of GCC analysis, the *governance structure* of a chain, which is most interesting to this research for it pertains to the key notions of barriers to entry and chain coordination (Raikes et al., 2000). Gereffi (1994) distinguishes between two types of governance structures in commodity chains: '*producer-driven*' and '*buyer-driven*'. In the former, large manufacturers of capital and technology-intensive goods, such as cars and computers, play the central roles in coordinating production networks (Gereffi, 1999). In the latter, the lead firms are retailers and branded manufacturers which focus on high profit functions while externalizing low profit functions to a network of suppliers, typically located in developing countries (Gibbon, 2003). This type of governance structure has become common in labor-intensive sectors, such as agriculture, in which the product and process specifications are supplied by the lead companies (Gereffi, 1999). Such lead firm-induced specifications are referred to as 'quality-related mechanisms to exercise drivenness' (Ponte and Gibbon, 2005). Thus, the mechanisms to exercise drivenness are directly connected to the rules and conditions of participation as established by coordination between chain actors.

According to Convention Theory, such coordination is only possible if there is a common framework – a constitutive convention – that structures relevant information and determines the nature of the traded commodity (Dupuy et al., 1989). This is particularly pertinent when price alone does not suffice for characterizing the commodity, delineating a trend that has been observed for the last decade. Following Murdoch and Miele (1999), food production has become increasingly complex over recent years with ecological, health (and social) issues reconfiguring both consumption demands and production practices. Quality conventions help structuring information about the traded object and are often construed in four different forms of coordination (Eymard-Duvernay, 1989; Daviron and Ponte, 2005):

(1) In *market coordination*, differences in price express known differences in quality, and price is the main market management form.

(2) In *industrial coordination*, uncertainty about quality is solved by establishing formal standards or norms which are enforced by inspection, verification or certification.

(3) In *domestic coordination*, uncertainty about quality is solved through trust and the identification of products is based on their region of origin or their brand name.

(4) In *civic coordination* a product's characterization is derived from evaluations of general societal benefits (Raynolds, 2004). Fair Trade is a prototype of this form of coordination.

The way objects are traded and the type of coordination used have great influence on how the four governance parameters are being specified. For instance, Fair Trade primarily applies civic coordination and relates to the circumstances under which coffee is being produced, thus corresponds to the second parameter of how an object is to be produced. The specification of the parameters, in turn, determines to a large extent the distribution of coffee income along the chain and the barriers to entry to the chain. These aspects are highly relevant in view of the recent proliferation of standards within the coffee industry – referring to how coffee is to be produced – which has provoked an extensive debate among scholars whether or not such standards result in changes in the entry barriers or value distribution.

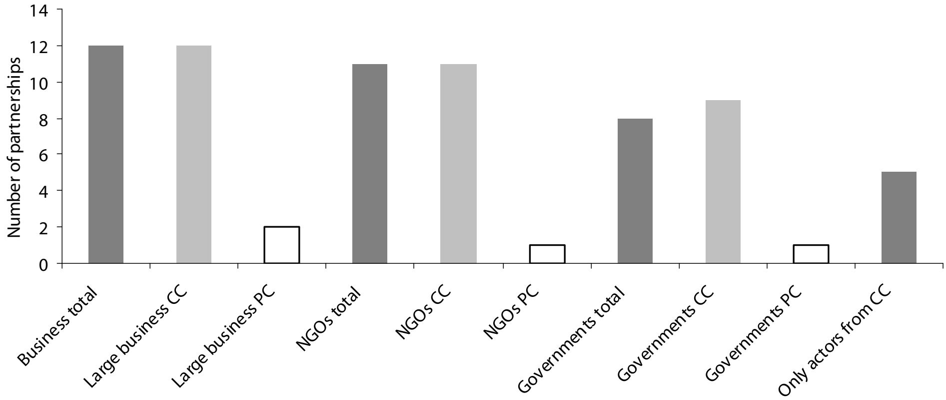
In conclusion, our analytical framework allows us to empirically examine the influence of partnerships on the type of lead firm, the drivenness of the chain and the kind of coordination used by means of quality conventions, which, in turn, impact on important issues such as value distribution and barriers to entry.

2.4 Depicting partnerships in the coffee chain and the actors involved

Attention to the sustainability challenges in the coffee chain has quite a long history compared to other agro-commodity chains, and intersectoral partnerships are amongst a number of sustainability initiatives outside the public domain, ranging from Fair Trade to organic and bird-friendly coffee. However, such sustainability initiatives do not include the main actors from the coffee chain itself. “Until recently, the major coffee roasters did not publicly acknowledge any responsibility for the conditions under which coffee is grown around the world” (Schrage, 2004: 61). Yet towards the mid-1990s, pressure from NGOs on large transnational coffee corporations increased substantially. In response to NGO campaigns, several coffee companies adopted codes of conduct, started integrating Fair Trade and organic coffee into their commercial portfolio or engaged in partnerships with NGOs and governments. In general, NGOs can be considered the most active participants in partnerships and are primarily responsible for the on-site work, frequently also facilitating the relationship between participating businesses and coffee farmers. Governments, in contrast, typically have smaller roles of facilitative nature or act as financers without fulfilling major functions in the daily routine of partnerships.

As regards business interests, it is predominantly large international roasters, traders and retailers from coffee consuming countries that epitomize the market sector. All partnerships include at least one of these major business actors. Market parties from coffee producing countries are much less associated with partnerships and if they are, it is mostly regional or national producer associations, local cooperatives or sometimes even individual coffee estates. However, in most cases, producer organizations are not partners *in* partnerships but rather (business) partners *of* partnerships, as confirmed by two business representatives of partnerships. Exporters from producing countries are hardly participating in partnerships. This discloses not only an imbalance in numbers amongst economic actors from consuming countries and those from producing countries, but also an imbalance with regard to their resources and power. Partnerships thus reproduce the existing imbalances within the coffee industry as a whole. The NGO sector exhibits a similar record and is represented primarily by organizations from coffee consuming countries while often lacking the affiliation of organizations from producer countries. The same picture emerges when looking at the types of public actors: here, too, it is above all governments of Northern coffee consuming countries that engage in partnerships. They usually do so in the context of development cooperation, mostly through their respective development cooperation agencies. Since the late 1990s, public-private partnerships have become increasingly common in development cooperation as mechanisms for the participation of *all* actors necessary for sustainable development (Visseren-Hamakers et al., 2007). However, this is actually not the case with regard to coffee partnerships. The pattern of strong participation of organizations from coffee consuming countries and weak involvement of organizations from coffee producing countries pervades the whole range of partnership actors. Figure 2.2 illustrates the imbalance in actor involvement and reveals that five of the twelve partnerships studied consist of actors from consuming countries only.

Figure 2.2 Actors from consuming countries and producing countries

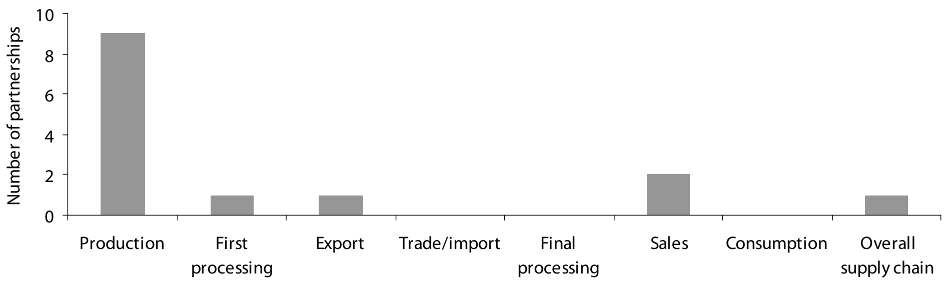


Explanation: CC = consuming country; PC = producing country. In terms of business involvement only large companies and umbrella organizations are included in the figure. While involved in six of the twelve partnerships, small companies or local producer associations are not included in this figure in order to accentuate the imbalance in actor resources and mirror the realities of the partnership practice.

2.5 The chain level of partnership activities

While partnerships may indirectly affect various stages of the coffee chain, most are specifically aimed at the production stage. In fact, only three of the partnerships studied do not directly work at production level (see Figure 2.3).

Figure 2.3 The chain level of partnership activities



Explanation: The white columns indicate that two partnerships which work at production level also integrate activities at first processing and export level, respectively.

The focus of most partnerships on the production level can be accounted for when looking once again at the actors involved and their motivations for committing to a partnership.

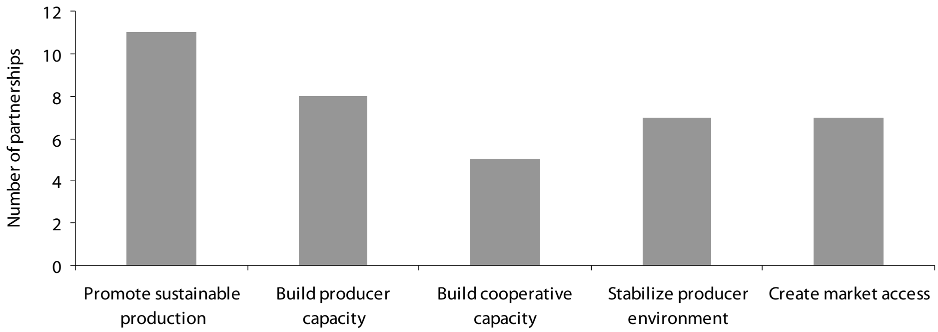
First of all, the type of NGOs that are active in partnerships can be broadly classified into two categories: (1) nature conservation organizations (note: not just environmental protection groups), such as the Rainforest Alliance and Conservation International, and (2) development NGOs, such as Oxfam International and Solidaridad. During the mid-1990s it was established that some 25 million acres of rainforest had been converted to coffee plantations worldwide – mainly caused by a shift in production away from traditional shaded coffee towards full sun monoculture plantings with heavy agrochemical utilization. In reverse, if shade-grown, coffee can harbor a diverse array of wildlife and contribute to biodiversity conservation (Perfecto et al., 1996), which explains the attention of nature conservation NGOs to coffee production. Development NGOs, on the other hand, direct their efforts at working towards eliminating the wide-spread poverty among coffee farmers and represent the interests of smallholders. Oxfam, for instance, has launched an extensive campaign in 2002 to help producers get a better price for their coffee. The respective thematic emphases of both NGOs types therefore require an involvement at production level. Secondly, (Northern) governments concentrate on the production level as they engage in partnerships in the context of development cooperation and emphasize topics such as poverty reduction, natural resource management, agriculture and trade – all of which coffee combines.

Finally, coffee roasters, traders and retailers likewise focus on coffee production while disregarding the remaining stages. This might have a marketing background which can be illustrated by considering the relationship between Fair Trade and the mainstream sector. Although the Fair Trade movement does not represent a challenge in terms of market share, it has done considerable damage to the image of the large coffee companies. These companies are vulnerable to being seen by consumers as proponents of unfair trade structures who are exploiting small farmers in developing countries (Achermann, 2001). Thus, engaging in partnerships that aim to improve farmer livelihoods and protect biodiversity appears to be a reaction to Fair Trade and of greater help to enhancing the image of the big industry actors than a partnership seeking to enhance the ecological performance of, for example, a roasting factory.

2.6 The functions of partnerships in light of the sustainability challenges of the coffee chain

Partnerships as institutional arrangements in the coffee chain can perform a wide range of functions which we have classified into five main categories (see Figure 2.4):

Figure 2.4 The functions of partnerships



While Fair Trade fulfills all of the functions to some extent, the partnerships analyzed here do not carry out the entire range of functions simultaneously, but rather choose a selection of functions.

Almost all partnerships promote the sustainable production of coffee. In a first step, they do so by agenda setting in terms of discussing the sustainability challenges of the coffee chain and creating willingness to work on them. In a second step, eight partnerships work directly with coffee farmers in order to encourage sustainable production. Usually this is done by means of production standards, including codes of conduct. All standards regard social, economic as well as environmental issues, but often pay most attention to the first two. Only partnerships in which nature conservation NGOs are involved use standards that require more than just basic environmental protection and comprise measures aiming at the restoration and protection of biodiversity. They also demand coffee to be shade-grown, thereby addressing the many problems brought about by the modernization of coffee cultivation since the 1970s. This approach follows the 'Conservation Principles for Coffee Production', which were jointly developed by three of the United States' leading environmental groups, Conservation International, the Rainforest Alliance and the Smithsonian Migratory Bird Center, with the input of producer organizations, bi- and multilateral donors, NGOs and business parties. The Conservation Principles address seven areas of concern in coffee cultivation and demand, among others, the incorporation of a tree canopy in areas originally covered by forest. Based on the wide-spread endorsement of the Conservation Principles as a point of reference for industry and producers, one would expect many partnerships to reflect them. However, only partnerships with conservation NGOs use standards with such stringent environmental provisions.[5] Finally, partnerships

[5] The Conservation Principles for Coffee Production were developed by Conservation International, Consumer's Choice Council, the Rainforest Alliance, the Smithsonian Migratory Bird Center and the Summit Foundation. The following parties provided an advisory role in the development of the Conservation Principles: Amcafe, Brazilian Specialty Coffee Association, Colombian Coffee Federation (FNC), Coordinadora Estatal de Productores de Cafe

promote sustainable production by creating a market for such coffee, either by buying sustainably produced coffee or by finding buyers for it, thus acting as brokers.

Partnerships that work at production level combine the promotion of sustainable coffee production as a kind of 'package deal' with other functions, such as building producer capacity, stabilizing the producer environment and creating market access for farmers. In order to facilitate compliance with production standards, all partnerships offer on-site assistance to farmers. The importance of partnership assistance to producers has been emphasized by representatives of producer associations. Partnerships frequently assist producers in enhancing their production efficiency, thereby reducing production costs, and raising coffee quality, which increases the price farmers get for their coffee. Especially partnerships that include actors from the specialty coffee segment place emphasis on enhancing the coffee quality so that it matches their quality profile. This type of economic empowerment of farmers can be further supported if partnerships provide them with market information.

For sustainable coffee, possibly of high quality, farmers oftentimes receive price premiums or premium prices that contribute to a more stable environment, confront the decline of coffee prices, and improve the distribution of coffee income along the chain. Partnerships can also stabilize the producer environment by using or stimulating the use of long-term purchase contracts, thereby bringing greater stability and predictability for both producers and buyers (cf. Lewin et al., 2004; May et al., 2004). Once again actors from the specialty coffee sector are at the fore and use long-term contracts as they are interested in identifying sources that are able to reliably deliver a high quality coffee. Nonetheless, representatives of partnerships have also stated that they do not wish to create situations in which farmers are solely dependent on the partnerships for the selling of coffee. A stable producer environment can further be nurtured by offering micro-finance to producers for it allows them to make investments in their production and reduces their financial exposure in the months before harvest. Although the lack of access to credit finance is a known sustainability challenge in the coffee chain (cf. Lewin et al., 2004; Macdonald, 2007), only three of the partnerships studied offer this service. Some partnerships claim that by getting producers certified to a sustainability standard, the credit standing of farmers 'automatically' rises and access to financial services is facilitated (e.g. Rainforest Alliance, 2007). Evidence to this effect has not been provided, however.

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de Oaxaca (CEPCO), Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), Dunkin' Donuts Inc., Eastern African Fine Coffees Association, Fair Trade Labeling Organizations (FLO), Falls Brook Centre, Global Environment Facility (GEF), Indian Institute of Plantation Management, International Federation of Organic Agricultural Movements (IFOAM), Royal Coffee (green coffee importers), Specialty Coffee Association of America, Starbucks Coffee Company, US Agency for International Development, and the World Bank

The last part of the 'package deal' of partnership functions is to create market access for producers by establishing linkages between suppliers and buyers. Generally this is done in case the producer complies with specific production standards, so that certification or verification serves as a means for producers to get access to new markets. Creating linkages also reduces the dependency of farmers on middlemen and increases their coffee income. Moreover, it can generate opportunities for producers to sell their coffee at decent prices even in times of oversupply.

Partnerships can also engage in capacity building at the level of producer cooperatives in order to improve the position of farmers. Often specific members of the cooperatives are targeted and trained as best practice promoters. The organizational strengthening of cooperatives contributes to improving their service offer and enhances the bargaining position of the collective vis-à-vis their business partners (cf. Rice, 2001; Venkatachalam, 2005). Once again, this function can lead to an economic empowerment of producers. Yet only few partnerships aim at cooperatives as part of their collaboration.

The focus of most partnerships on the production level reveals a rather narrow definition of what sustainability in the coffee chain actually means. It obstructs approaching problems that likewise hinder a sustainable development of the coffee chain: some of the most pressuring issues, such as overproduction and the imbalances in power, remain unaddressed. Partnership representatives justify this by pointing out that they can only exercise influence on the suppliers and buyers they work with. They can promote knowledge exchange and thereby assist farmers in reacting quicker to movements in demand and supply, but they cannot impact on systemic market imperfections, as stated by a representative of a partnership. The functions partnerships fulfill show that this is also not intended. Overproduction could, for instance, be confronted by endorsing on-farm diversification of production into other 'traditional' crops or high-value commodities (ICO, 2007).

Diversification could also protect farmers from international market fluctuations and price volatility (Rice and Ward, 1996). However, none of the partnerships fulfill this function. This highlights that partnerships take a selective approach and include and exclude certain issues from their collaboration, thus attending to some sustainability challenges while disregarding others (cf. Visseren-Hamakers and Glasbergen, 2007).

2.7 Standards and codes of conduct as a partnership strategy

Over recent years, the use of standards and voluntary codes of conduct in combination with certifications schemes has spread significantly in many agro-commodities. Observers even speak of the emergence of a global audit culture originating in Northern industrialized countries and stressing inspection, measurement and certification (cf. Hughes, 2001). This is closely related to the increasing importance of health and safety standards to protect consumers and transparently link companies' products to their origins (Hatanaka et al., 2005). But also the growing importance of differentiated coffees at retail level, the intensified firm concentration and the proliferation of coffee shop groups such as Starbucks have contributed to the rise of standards and fostered their application as competitive strategies (Lewin et al., 2004; Daviron and Ponte, 2005). In fact, standards are viewed as potential mechanisms to close the gap in the existing regulation by substituting public regulation with private rules for coffee production. Partnerships in the coffee chain have absorbed this trend and many of them work with standards to ensure that specific labor, environmental or management criteria are being met by their suppliers (see table 2.2).

Table 2.2 Standards used by partnerships

Partnership	Standard
4C	Common Code for the Coffee Community
Utz Certified	Utz Certified Code of Conduct
CI & Starbucks	Organic; Conservation Principles for Coffee Production
CEPCO	Fairtrade
Suscof	EurepGAP (now GLOBALGAP: equivalent to Utz Certified Code of Conduct)
RA & Kraft	Rainforest Alliance
RA & Nespresso	Nespresso AAA Sustainable Quality Standard

Standards entail the possibility of product differentiation and upgrading which can signify an increase in competitiveness for farmers. In contrast to mainstream coffees, which are often blends of unidentified origin, differentiated coffees have a clearly distinguishable profile because of their distinct origin, production processes or quality attributes. Sustainability standards of partnerships usually refer to a differentiation in the production process.

Organic and Rainforest Alliance standards most prominently stress the environmental aspects of coffee production. Protecting soil resources and the replacement of synthetic agrochemicals with organic manure stand out as key tenets of the former; wildlife and biodiversity protection of the latter. Fair Trade addresses the way products are traded and concentrates on social aspects of coffee production. Environmental concerns are mainly integrated into the progress requirements on which producer organizations must show permanent improvement. Utz Certified focuses on how farms are managed and underlines the aspects of farm efficiency and coffee traceability. Certified units are also demanded to perform well on social issues, while environmental provisions cannot be considered very strict as compared to Rainforest Alliance and organic standards. The code of conduct of the Common Code for the Coffee Community features minimum requirements along all three dimensions of sustainable development without a particular thematic emphasis. As a code of conduct aiming at establishing a baseline standard for the coffee industry, none of the criteria are very strict. This fact has been criticized by several NGOs, but was endorsed by a producer representative who stated that the criteria of 4C are relatively easy for producers to comply with and provide the basis for compliance with more complicated standards. Also other coffee certification schemes have been accused of embracing weak criteria which serve as marketing tools for roasting and retailing companies (Muradian and Pelupessy, 2005) or even provide an opportunity for big coffee actors to 'greenwash' their image (Renard, 2005: 429).

Indeed, many sustainability standards of partnerships are neither as strict in social aspects as Fair Trade nor as strict in ecological aspects as organic coffee. For instance, Fair Trade is the only labeling scheme that guarantees a minimum price and a set social premium. It also places greatest emphasis on the social situation of workers by requiring employers to provide their workforce with social security, which even includes the possibility of maternity leave for female workers. Organic labeling is strictest in environmental aspects due to its rejection of agrochemicals and its insistence on natural pest control, crop rotation, and soil management. This indicates that the oldest sustainability initiatives follow the strictest approach whereas the newcomer standards actually lower the bar in many regards.

Yet they all claim to promote sustainability. The differences between them refer to the lack of a universally accepted or understood definition for the core term of 'sustainable coffee'. Consequentially, the emergence of such sustainability standards has the potential to lead to substantial confusion for both producers and consumers in terms of the standards' meaning, stringency and legitimacy (Commission for Environmental Cooperation and TerraChoice Environmental Services Inc, 2004). The lack of a generally accepted definition of sustainable coffee also results in considerable competition among the standards. There is the danger of older sustainability standards being pushed back or even replaced by newer, less stringent standards.

Critics often find fault with the high costs of joining certification schemes which are usually being placed upon producers – with the exception of 4C – and range from the annual certification fee, costs for auditors, and investments in production to hidden costs such as transport and training staff (Consumers International and IIED, 2006). Such concerns have been confirmed by representatives of producer associations. Put in perspective, the costs are relatively higher for small producers, making certification schemes susceptible to accusations of being biased towards larger farms and estates that can afford implementation (ibid.). This carries the risk of resulting in discriminating effects on market access to the disadvantage of smallholders, although this is generally not acknowledged by partnerships, as interviews with partnership representatives have shown.

It is evident that certification only pays off if the ratio between the costs of certification and the extra revenues generated is positive. Such revenues can arise due to price premiums, access to new markets and cost reductions associated with efficiency increases. For Fair Trade it has been shown that it has a positive impact on the financial situation of farmers owing to the guaranteed minimum prices farmers receive (Ponte, 2004). The other sustainability standards of partnerships do not embrace the concept of minimum prices and refer to the fact that they are market-based approaches oriented at the principles of demand and supply. Any pricing considerations, such as fixed prices or guaranteed price premiums, could also be in conflict with anti-trust regulations (Potts, 2004). Instead of paying minimum prices, most partnerships standards offer flexible, negotiable price premiums.[6] This reveals that partnerships generally do not offer a long-term guarantee on price premiums and make the recovery of the costs associated with certification or verification increasingly subject to negotiation. Lewin et al. (2004) view this as a situation in which farmers may be at disadvantage due to their overall weaker position.

Moreover, the logic of a negotiable price premium is based on the assumption that supply and demand of certified coffee will drive the premium for such coffees (The Worldwide Sustainable Coffee Fund, 2005). However, as certified coffee becomes widely available, the premiums may decline considerably if buyers are not willing to pay extra for the achieved standard (Giovannucci and Ponte, 2005). In this case certification would become a de facto market requirement and automatically raise the entry barriers for coffee growers (Ponte, 2004). Muradian and Pelupessy (2005) express the concern that this could result in an improved environmental and social performance of coffee producers without a simultaneous enhancement of their economic situation. Regardless of these risks, Fair Trade does not offer a much better scenario as it remains an option available for only a limited number of producers: a mere 20% of global Fair Trade production capacity is sold at Fair Trade prices, the rest is sold on conventional coffee markets (Lewin et al., 2004).

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[6] The Fairtrade price is composed of a guaranteed minimum price (121 cents/lb green coffee for Arabica and 101 cents/lb of green coffee for Robusta) and a Fairtrade Premium (10 cents/lb of green coffee). All other standards used by partnerships do not command set price premiums. In 2004, organic coffee got the highest premium of estimated 0.15-0.35 cents/ lb of green coffee, followed by Rainforest Alliance certified coffee for which a premium of 0.10-0.20 cents/lb of green coffee was paid and finally, Utz Certified, which commanded a premium of 0.01-0.15 cents/lb (Raynolds et al., 2007). Starbucks claims having paid premiums ranging from 60% to 200% higher than the local price in the context of its partnership with Conservation International (CSR Wire, 2007); whereas Nespresso states that the premiums paid in conjunction of its partnership with the Rainforest Alliance averaged 35% above the world market price (Nespresso, 2007).

2.8 The scope of partnerships

Since partnerships constitute relatively new developments, Fair Trade and organic coffee still represent the biggest sustainability initiatives, with a sales volume in 2004 of 70 million pounds and 78 million pounds of green coffee, respectively. However, both Fair Trade and organic coffee occupy a niche market that is on average less than 2% of consumption in the more developed markets. Experts assume that especially Fair Trade coffee may have hit a glass ceiling in some of the more mature markets, unable to grow beyond its affinity with a more socially conscious but relatively limited consumer base (Giovannucci and Koekoek, 2003), which accounts for the oversupply of Fair Trade coffee.

Partnerships likewise only cover a small section of the global coffee trade and are often localized in their effects. For example, while Kraft emphasizes its support for the Rainforest Alliance and points to the 25 million pounds of Rainforest Alliance-certified green coffee it intended to buy in 2006, this represents only a meager fraction of their total purchase of green coffee.[7] Similarly, the partnership between Conservation International and Starbucks resulted in the latter buying more than 8 million pounds of green coffee since 1998 (Conservation International, 2007). Compared to the 294 million pounds of green coffee Starbucks purchased in fiscal 2006 alone, these 8 million pounds have to be dismissed as marginal. Much more significant than partnerships, at least in terms of volume, is Starbucks' own supplier system: the C.A.F.E. (Coffee Farmer and Equity) practices have been used to verify 53% of Starbucks total green coffee purchases. The examples of Starbucks and Kraft indicate that partnerships are often part of 'parallel production' (Mutersbaugh, 2005) and only constitute a side activity of the involved companies. The limited scope is also visible in cases where one cannot speak of parallel production. Nespresso, for instance, seeks to have 50% of its total green coffee supply verified by the Rainforest Alliance in 2010, thus making the partnership central to its coffee sourcing. Yet, Nespresso is not representative of the total coffee industry as it buys exclusively specialty coffee (only 10% of the worldwide production) of which only 10-20% matches its taste and aroma profile. Even the mainstream initiative of Utz Certified, which has experienced a growth rate of 36% over 2004 and under whose label 63 million pounds of certified green coffee were purchased in 2005, is small compared to the 14.7 *billion* pounds of coffee produced worldwide in the same year. This all demonstrates that partnerships merely reach a limited fraction of the global coffee market, despite the involvement of major coffee actors, and rather stimulate an increasingly differentiated market. Only the 4C initiative seems to be more promising in this regard: because of its broad membership base involving approximately 60% of the coffee related trade and industry and because it cooperates with the most relevant producer organizations in coffee exporting countries, it aims to reach,

[7] According to the Internet forum 'Coffee & Conservation', Rainforest Alliance beans represent about 2% of Kraft's total coffee bean purchase (http://www.coffeehabitat.com/2006/02/about_coffee_an.html).

once fully operational, 80% of worldwide coffee production (Lang, 2006). Yet, this partnership is still in the early stages and far from being fully implemented.

2.9 The influence of partnerships on coffee chain governance

Referring back to section 2.3, governance is regarded as the process of specifying the parameters under which other chain actors operate. In particular the four parameters concerning what product needs to be delivered, in what quantity and when and how it should be produced are crucial.

In the conventional coffee chain, lead firms – usually big companies in the downstream part of the chain – are able to determine these parameters by using *market* and *industrial coordination* where price and quality control of certain crude physical crop-properties remain of paramount importance (Ponte and Gibbon, 2005). Typically, these firms are located in the roasting or retailing segment of the coffee chain and constitute the 'lead firms' due to their downstream chain position, their possession of key brand names, their ability to retain large shares of coffee income accruing along the chain, and effective management of information asymmetries. These factors combined can be considered 'quality-related mechanisms for exercising drivenness' and make the conventional chain a *buyer-driven chain*, or more specifically, a roaster-driven chain (Ponte, 2002). As a consequence, coffee income along the chain is allocated in favor of these lead firms and to the disadvantage of upstream actors (producers). Moreover, it leads to low entry barriers as the physical coffee quality required is relatively low and coffee is traded in common lots where individual differentiation is lost.

Fair Trade, in contrast, explicitly aims at changing the governance structure of the coffee chain and establishing a *producer-driven chain*. Principles such as producer empowerment, long-term supply relations, and minimum prices are being put to the fore. As Smith and Barrientos (2005: 193) state: "The establishment of trading principles according to moral rather than market values is a classic form of *civic coordination*". But also *domestic coordination* is a significant feature as the material relations are based on 'trust', 'respect' and 'partnership' (Raynolds, 2002). Since the introduction of formal Fair Trade labeling initiatives, the rapid growth in corresponding trade volume and the expansion to mainstream distribution channels, both *industrial* and *market coordination* have supplemented domestic and civic coordination (Raynolds, 2002; Renard, 2003). The quality-related mechanisms for exercising drivenness are most importantly connected to civic coordination for this entails the capacity to match 'civil society' demands in terms of minimum socio-economic and environmental standards (Ponte and Gibbon, 2005). This results in producers being able to retain a considerably higher coffee income than in the conventional chain. The entry barriers for Fair Trade are meant to be low; yet over recent years, they have been increasing. By far not all producers that wish to participate in Fair Trade can actually do so; above all because only a fifth of the coffee produced as Fair Trade is also sold at Fair Trade prices.

As could be seen in Fig. 2, every partnership includes at least one large downstream company from a coffee consuming country, which can be considered the lead firm within its respective supply chain. Compared to other partnership actors or partnership suppliers, the participation of lead firms creates an imbalance in resources right from the start. Moreover, these lead firms enjoy broad representation in partnerships while upstream actors lack significant participation. This makes it very difficult, if not impossible, for another actor or organization to take over the 'lead' role. As a consequence, the coffee chains in which partnerships work remain *buyer-driven*.

Nevertheless, partnerships can, to a certain degree, newly empower other chain actors next to the lead firms. At least this has been claimed by many partnerships. Indeed, as has been demonstrated in the section on partnership functions, producers can be 'empowered' by *stabilizing their environment*, for example by means of paying them higher prices, providing micro-finance services, and using long-term contracts. Other partnerships *build producer capacity* by transmitting knowledge and market information or create access to new markets. Another way of empowering producers is to *build the capacity of their cooperatives*. However, most of these functions of partnerships use the word 'empower' in the meaning of 'equip or supply with an ability', i.e. 'enable', rather than in terms of 'giving or delegating power or authority'. While partnerships can enable and capacitate producers, they rarely contribute to the transfer of actual power to coffee producers.

Despite the unchanged power relations, partnerships do induce a change in the type of coordination used among the economic actors. Being market-based approaches that orientate along the principles of supply and demand, they automatically incorporate *market coordination*. The product and production standards many partnerships work with ensure that *industrial coordination* is another important element of partnerships. Thus far, the coordination applied by partnerships resembles the conventional coffee chain. However, all partnerships also integrate *civic coordination* by explicitly referring to goals such as sustainable coffee production and helping smallholder farmers increase their market access. Partnerships that deal with specialty coffee also encompass *domestic coordination* due to their emphasis on quality related to coffee origin. According to Ponte and Gibbon (2005: 13) "origin-based 'trust' narratives tend to be replaced by 'certified' quality systems [...] that partially de-link from place". However, in the context of partnerships that only seems to be partially true. Starbucks, for instance, still appears to place great emphasis on the place of origin, as can be seen by the fact that partnerships with Starbucks do not always use certification and in case they do, they use various ones, thereby avoiding the replacement of coffee origin by a generally valid certification scheme. Partnerships literally foster the combination of different ‘coffee narratives’, ranging from high quality to origin and production attributes. These narratives accommodate and even require the use of different coordination types as expressed in the combination of market, industrial, civic, and possibly domestic coordination. The importance of each coordination type differs per partnership and depends most notably on the contents of the sustainability standards used. Standards with weak demands in terms of social and environmental criteria inevitably weaken the civic and possibly domestic coordination types.

By applying all types of coordination, partnerships greatly influence all four governance parameters, but most notably the second one: how coffee is to be produced. This is related to the importance of production standards used by partnerships and, in case they involve specialty coffee, product standards. The production standards have been developed by NGOs or in multi-stakeholder processes and do not reflect the sole interests of the lead firms – contrary to product standards that conform to the demands of buyers. Both types of standards can be considered quality-related mechanisms for exercising drivenness since lead firms can use the standards as instruments for attaining their business goals, such as market penetration, system coordination, and quality and safety assurance (Giovannucci and Ponte, 2005). Parameter setting regarding the nature of the product and/or the production process therefore constitutes the most significant mechanism for lead firms to exercise chain drivenness in the context of partnerships. In other words, stimulated by partnerships, standards turn into *new governance mechanisms* which lead firms can use as strategic tools for supply chain management.

Partnerships can also influence the fourth parameter of Humphrey and Schmitz (2001): how much is to be produced. For instance, Utz Certified purposely has more coffee certified than it has buyers for, so that situations in which buyers do not find the desired amount of green coffee can be avoided. The left-over amount of certified coffee has to be sold as normal coffee to world market prices without commanding price premiums. This highlights once more that producers are not the ‘drivers’ of this chain.

The use of production standards results in a potentially positive effect of partnerships on the allocation of coffee income in comparison to the prevailing value distribution of the conventional coffee chain. Since the effect on producer income depends heavily on the amount of coffee sold through the partnership, it is not straightforward how positive this effect is and in how far it is visible for all farmers associated with partnerships. On the one hand, price premiums paid to farmers for their compliance with standards are often negotiable and very modest, but on the other hand, many partnerships enable farmers to produce a better quality coffee which results in higher incomes for farmers. For this reason, one can concede a potentially positive effect on the value distribution to partnerships.[8]

Furthermore, the increasing importance of standards ensures that partnerships exert influence on the issues of who is included and excluded from those distribution channels that bring about higher coffee incomes. Due to their demands in terms of production standards, most partnerships can potentially raise the barriers to entry. The quality demands of distinct partnerships constitute another obstacle for farmers to participate in trade with higher revenues. If partnerships indeed raise the entry barriers due to the standards they promote, then, in reverse, the adoption of partnership standards becomes a strategy to access or remain in particular markets for those producers who are able to participate. Thus, partnerships can help producers avoid market exclusion but do not necessarily empower producer vis-à-vis other chain actors.

2.10 Conclusion

Partnerships in their current form are Northern based models that allow for Northern actors to be overrepresented whereas Southern actors often lack significant participation. Nevertheless, partnerships have changed the terms of the discourse on sustainable coffee and contributed to the spread and commodification of values based on environmentally friendly and socially responsible coffee production. In particular NGOs stand out as important initiators of change within the coffee industry.

Although primarily constituting a form of 'parallel production', partnerships have already become part of the power struggle in the coffee market. Because of their reliance on standards and the lack of coordination of efforts and strategies, they compete with each other and most of all, with Fair Trade and organic coffee on definitions of 'sustainable coffee'. As a consequence, partnerships cause for more product differentiation and an increasingly broader pattern of specialty markets. In this perspective, the marketing and promotion of partnerships – embedded into anecdotes of partnership activities and keywords such as 'sustainability', 'biodiversity protection' and 'livelihood improvement' – fits into the 'boom' of differentiated coffees in coffee bars such as Starbucks that sell an ambiance and a lifestyle.

Partnership coffees are primarily differentiated via 'sustainability standards' which allow for partnerships to target various sustainability challenges at production level, such as poor working conditions and environmental degradation, and generally go hand-in-hand with

[8] For more information on income effects see also Boot et al. (2003) on the impact of eco-labeled coffee in Mexico; Raynolds et al. (2007) on price premiums associated with different sustainability certification schemes and Bacon (2005) on smallholder vulnerability and the effects of fair trade, organic and specialty coffees.

producer assistance. However, the benefits for producers remain unclear, while lead firms are able to harness the standards as strategic tools for supply chain management. Moreover, the focus of partnerships on standards seems to obstruct an integrative approach that incorporates *systemic* sustainability challenges at macro level as well, such as overproduction and the asymmetries in power distribution. Only our benchmark Fair Trade established a different governance structure in order to empower Southern producers whereas none of the partnerships managed to alter the Northern buyer drivenness of the chain: big roasters and retailers continue to be the lead firms that determine the critical parameters under which other chain actors operate.

This raises the question of the autonomous role of governments in making the coffee chain more sustainable. Up to now, governments from coffee producing countries remain completely disconnected from partnership-induced change in the coffee chain, whilst governments from coffee consuming countries appear to be incidentally supporting various partnerships without exhibiting a strategic approach to the sustainability challenges of the chain or the situation of the most marginalized producers.

The increasingly differentiated coffee market seems to hold opportunities for only a limited number of coffee producers, whereas the larger part of the 25 million coffee farmers will not be reached and their continuing problems will not be solved. Despite the popularity of sustainability standards among partnerships, one must not lose sight of the fact that the majority of coffee growers around the world are smallholder farmers whose livelihoods focus mainly on survival. Considering that many partnership favor Latin America over Africa and Asia, estates over smallholders and farmers that cultivate on altitudes over 1000m (who are able to produce specialty coffee) over farmers that plant coffee on low altitudes, the ability of partnerships to do justice to the situation of the majority of smallholder producers appears questionable and sustainability will not be achieved. In order for that to happen, partnerships must engage in a more honest and holistic dialog that addresses all sustainability challenges of the coffee chain and does not limit its definition of 'sustainable coffee' to certified coffee without looking at the bigger picture.

Positioning chapter 3

Chapter 3 aims to answer the following research question:

What is the capacity of partnerships to strengthen the assets of smallholder producers and their organizations?

By focusing on the effects of partnerships on smallholder producers and their organizations, the chapter directly connects to the findings of chapter 2. While chapter 2 recognizes the important agenda-setting function of partnerships by changing the discourse on sustainable coffee and contributing to the spread and commodification of sustainability values, the chapter remains rather skeptical as to the benefits of partnerships for smallholder producers. On p. 52 it states: "The ability of partnerships to do justice to the situation of the majority of smallholder producers appears questionable." This uncertainty stems from two sources. Firstly, partnerships are often promoted, or rather 'marketed', with anecdotes of partnership activities suggesting that partnerships improve farmers' livelihoods, protect biodiversity and do other 'good deeds' at the production level. Yet, substantive evidence for such achievements is lacking, giving the impression that the narratives of partnership activities serve as marketing tools for businesses which are backed up by the credibility and legitimacy of NGOs. Secondly, the use of standards and certification constitutes a key strategy of partnerships to promote sustainable change in chains. However, standards are debated ambiguously both in chapter 2 and the general literature. On the one hand, standards hold the promise of a change in value distribution along commodity chains and enhanced revenues for producers. On the other hand, standards carry the risk of developing into de facto market requirements without rewarding complying producers with anything but market access. Thus far it remains unclear whether the potentials or limitations of standards prevail, and what this implies for the work of partnerships at the production level. This adds to a general confusion regarding the activities of partnerships in producing countries and their effects on producer organizations and smallholder farmers. This gap in current knowledge on partnerships provides the motivation for the following chapter.

Therefore, chapter 3 presents an empirical analysis of the local level effects of coffee partnerships on smallholder producer organizations and their members. The chapter develops a conceptual framework rooted in the asset-based approach to study these effects, and applies the model to six intersectoral partnerships in different coffee growing regions of Peru. The chapter first concentrates on the aspects of certification and market linkages, and then examines the effects and limitations of partnership activities on producer organizations' assets. Finally, the chapter discusses the sustainability outcomes of partnerships to identify potential barriers and opportunities for partnerships to make the coffee chain more inclusive and profitable for producer organizations and their members.

The chapter was written in collaboration with Pieter Glasbergen and Bas Arts, and was submitted for publication to an international journal.

3 Partnerships in agricultural commodity chains: evidence from the coffee sector in Peru

3.1 Introduction

Over the last decade, intersectoral partnerships between actors from market, state and/or civil society domains have emerged as potentially important mechanisms for addressing global challenges related to sustainable development. Particularly in tropical agricultural commodity chains connecting Southern producers with Northern consumers, partnerships have come to represent meaningful interventions to promote more sustainable farming practices, foster the de-commoditization of products for a variety of differentiated markets and (re-)gain consumer trust. In international development cooperation, partnerships with private sector parties are often considered a means to promote value chain integration and pro-poor growth. Thereby, they go beyond the simple "state versus market" dichotomy by recognizing that sustainability can only be brought about if actors cooperate across private and public, profit and not-for-profit spheres (Glasbergen et al., 2007). In cooperation with smallholder producer organizations, partnerships between nongovernmental organizations (NGOs), businesses and government agencies have been assigned to build producers' capacity, transfer sustainable agricultural techniques, improve market access and establish efficient value chains. Their popularity is such that by now there is hardly any public policy document on agricultural commodities that can afford *not* to mention the importance of partnerships for "addressing commodity-related problems" (Common Fund for Commodities, 2008: 17) and "promoting sustainability in international commodity markets" (IISD et al., 2008: 7).

Notwithstanding their recent proliferation, it remains unclear what exactly partnerships do in producing countries and what their effects on smallholder producer organizations and their membership are. Therefore, we have chosen to take a closer look at the local-level effects of partnerships and establish the sustainability outcomes of partnerships for smallholder farmers and their organizations. For this purpose, we have developed an asset-based model and applied it to coffee partnerships in Peru. Since partnerships do not work with individual producers but with producer organizations, the latter also represent our unit of analysis for identifying partnerships' effects.

The chapter is structured as follows. We start by presenting our conceptual framework, our case selection and research methodology. We then introduce partnerships in the Peruvian coffee sector to lay the foundation for the subsequent analysis of partnerships' effects. Here we first concentrate on the aspects of certification and market linkages, then examine the effects and limitations of partnership activities on producer organizations' assets, and finally, discuss the sustainability outcomes of partnerships. This helps us to identify potential barriers and opportunities for partnerships to make the coffee chain more inclusive and profitable for producer organizations and their members.

3.2 Conceptual framework

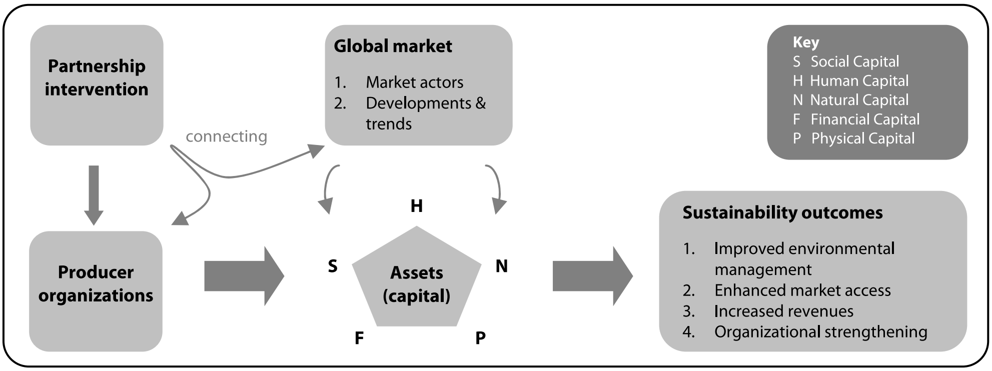
In order to analyze partnerships' effects on producer organizations, we have developed a conceptual framework which finds its inspiration in the notion of sustainable livelihoods (SL) (Chambers and Conway, 1992; Carney, 1998; Scoones, 1998) and the respective SL framework (DFID, 1999), but has been narrowed down for our purposes. This implies that we will not analyze partnerships' effects on the livelihoods of individual households, for this would greatly exceed the objectives of partnerships and thus render any such investigation meaningless. Instead, we have singled out two key issues where partnerships' effects are to be expected and which together represent the starting point for achieving sustainable development in global agricultural commodity chains.

The first issue concerns the influence of partnerships on the *assets* of producer organizations, which can be understood as those resources, both on quantity and quality counts, required to participate in global commodity chains in a sustainable and meaningful manner. Following the SL literature, our study distinguishes between five different types of assets (or capitals). Human capital and social capital represent "soft" factors such as skills, knowledge and health (for the former), and networks, membership of groups and relationships (for the latter). Natural capital encompasses all natural resources including intangible public goods such as biodiversity and divisible resources like land and forests. Issues of transport, production facilities, and infrastructure belong to the category of physical capital, and finally, financial capital comprises all stocks and flows including income, credit, and savings. Partnerships are seen as external interventions that can potentially support producer organizations by means of developing, accumulating, protecting or investing in additional assets.

The second issue regards the effect of partnerships on the linkages of producer organizations to the *global market*. Partnership not only influence the assets of producer organizations, they also improve producer organizations' access to the global market by absorbing current trends and developments, such as sustainability standards and product differentiation, and establishing linkages to other market actors, such as exporters and importers. These factors exercise direct influence on the way in which producer organizations' assets are developed or strengthened.

Combined, the effects of partnerships on the asset base of producer organizations and their linkages to the global market (can) result in various *sustainability outcomes*. In light of the manifold sustainability challenges characterizing global agricultural commodity chains and considering the general objectives of partnerships, we confine the sustainability outcomes of partnerships to four main aspects: 1) improved environmental management (sustainable commodity production), 2) enhanced market access, 3) increased revenues for producers and 4) organizational strengthening (see figure 3.1).

Figure 3.1 Conceptual model: partnerships' effects on producer organizations



3.3 Case selection

This chapter looks at the coffee sector to examine the local level effects partnerships for sustainable development. Coffee serves as a prime example for the problematic issues associated with many agro-commodity chains, and constitutes the notable frontrunner commodity in terms of partnership occurrence. To ensure the representativeness, relevance and weight of our study, we have chosen to study partnerships in one of the leading coffee producing countries worldwide. Peru is the sixth largest producer in the world and the number one producer for organic and Fair Trade coffee (JNC, 2008a; JNC, 2008b). Moreover, Peru has one of the highest partnership "densities" compared to other producing countries. A total of ten intersectoral partnerships have been found in the coffee sector in Peru, of which six have been selected for close investigation (see table 3.1), affecting five second level producer organizations, four cooperatives and one association of first level with a total membership of more than 14,500 smallholder farmers (although the actual number of participating farmers is much lower as will be explained later on)[9]. The selection was based on two considerations. Firstly, only partnerships were chosen which had either

[9] This chapter broadly distinguishes between producer organizations of first level (local), second level (umbrella organizations with first level organizations as members) and third level (umbrella organizations with second level organizations as members).

been completed up to one year before the research commenced or were still in operation at the time of the research. This excluded partnerships which had implemented their activities in the distant past (effects are not measurable anymore) or which had just started their activities (effects are not yet measurable). Secondly, in order to cover as much of Peru as possible, the selected partnerships are located in four different coffee growing areas representing the North, the North-East, the South and the "Selva Central" (central region).

3.4 Research methodology

The data analyzed in this chapter has been collected during two months of field research in Peru in 2008. In order to come to a coherent picture of the deliberate effects of partnerships on producer organizations, various actors and key informants have been queried using semi-structured *interviews*. The interviewees can be categorized as follows:

a. Leaders of producer organizations (12 interviews).

b. Partnership associates from private companies or NGOs (6).

c. Coffee experts coming from national coffee institutions, such as the national producer organization JNC, Peruvian Coffee Chamber, Ministry of Agriculture, and NGOs (8).

d. Experts within the field of development cooperation who are active in coffee and other value chain projects (5).

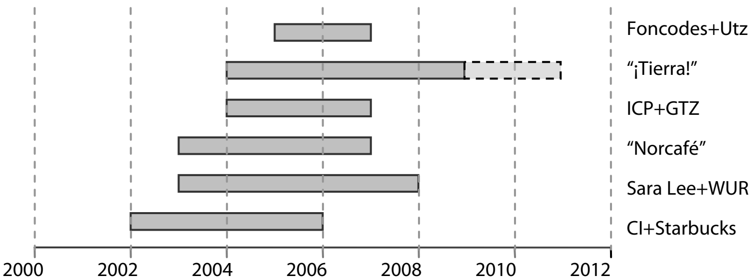
To complement the interviews, *literature and documents* on the respective partnerships were analyzed, such as impact evaluations, sales contracts, press releases and status reports. *Secondary data* was collected on the coffee sector in Peru, including sector diagnostics and statistics on annual production, exports and prices. *Participant observation* was conducted during the visits made by agronomists, certifiers and other professionals to coffee plantations which provided insights into production practices and certification requirements.

To exclude possible external influences on producer organizations apart from partnerships as far as possible, we made use of two methods. Firstly, the interviewees were asked to assess the situation before and after as well as with and without the partnership intervention. Secondly, we followed the EAR method proposed by Arts and Verschuren (1999), who call for the triangulation of sources by means of combining the ego-perception (E) of partnership associates and beneficiaries, the alter-perception (A) of coffee and development experts, both largely through interviews, and the researcher's analysis (R), which checks the validity of these perceptions based on literature and document analysis and participant observation. As we employed mostly qualitative research methods, the rationale was not to establish absolute values and numbers expressing the effects of partnerships on producer organizations, but rather to come to an accurate interpretation of partnership effects through a triangulation of various representative sources and perceptions.

3.5 Partnerships in Peru

Although the first intersectoral partnership, a project by the German development cooperation GTZ together with the Peruvian Coffee Chamber, was already initiated in 1994, the major partnership "wave" only commenced in the early 2000s (see figure 3.2). This recent rise cannot be seen independently of four interconnected developments taking place in and around tropical agricultural commodity chains (cf. Bitzer et al., 2008): the spectacular growth of the sustainable and high quality product segment (in the coffee market the upsurge of eco-friendly, gourmet and other specialty coffees), the increasing public scrutiny of multinational companies' business practices and the related rise of Corporate Social Responsibility, the soaring popularity of value chain integration and "pro-poor growth" within international development, and finally, the revival of rural producer organizations as a means to addressing rural poverty.

Figure 3.2 Chronological timelines of partnerships



The majority of partnerships cover a time span of three to four years, concurrent with small-scale development projects. In the case of ICP and GTZ, the project partners hold that three years are sufficient to develop the self-help capacity of producer organizations (ICP, 2004). Bosc et al. (2002) question the effectiveness of such short-term interventions and assert that programs bringing assistance to building up the capacities of rural producer organizations must be planned for 10 to 15 years in order to succeed. Whether this holds true for partnerships as well will be discussed later on.

Partnerships bring together actors from inside and outside the coffee sector, and are instigated by and initially formed between two of the following three groups of *key actors* (see table 3.1). Large multinational companies (or their foundations or local subsidiaries) represent the first set of key actors. Local Peruvian export companies do not participate in any partnership, due to the objective of partnerships to exclude local middlemen and shorten the supply chain as much as possible. NGOs are the second group of key actors. All of them have considerable experience in agricultural projects, either from a development, biodiversity or certification perspective. Finally, as the third set of key actors, governments are represented by multilateral donors (only as financiers), bilateral aid agencies or Peruvian agricultural extension programs.

Once these relationships have been established, partnership activities are implemented together with producer organizations, which are the *beneficiaries and recipients* of partnership interventions. Since all partnerships work with producer organizations and not with large estates, a conflict between smallholders and estates (or even a preference for the latter), as has been detected for some certification schemes (Ponte, 2004; Neilson and Pritchard, 2007; Raynolds et al., 2007), cannot be identified. However, conflict and competition among producer groups within a partnership does exist. In one partnership (Norcafé), which cooperated with a handful of producer organizations, competition and disagreement became so strong that several of the organizations decided to leave the partnership rather than agreeing to other groups enjoying more benefits than they. But also when the "obstructionist" groups had left and a new producer organization had entered instead, internal competition for funds, assistance and facilities continued so that until today, some groups feel that they were at comparative disadvantage during the partnership and did not benefit as much as the other groups.

Table 3.1 Partnership members and their beneficiaries (producer organizations)

Cases	Norcafé	ICP + GTZ	CI + Starbucks	Tierra	Sara Lee + WUR	Foncodes + Utz
NGO	VSF-CICDA[1 2], German Agro Action($), PIDECAFE[2]	---	Conservation International[1 2]	Rainforest Alliance, Ecoselva[2]	---	Utz Certified
Business	---	International Coffee Partners (ICP)-Neumann Kaffee ($)/ Ede Consulting[2], Coinca	Starbucks ($)	Lavazza[1] ($), Volcafé($) (Prodelsur)	Sara Lee/DE Foundation[1] ($), Prodelsur[3]	---
Government	European Union (EU) ($)	German Technical Cooperation (GTZ)[1 2] ($), Programa Agro Ambiental[2]	---	---	---	Foncodes[1 2] ($), Inter-American Develop. Bank($)
Other	---	---	---	---	Wageningen University (WUR)[2]	---
Producer organization (+ members/ producers)	1) Cepicafe (4,811) 2) Cenfrocafe (2,020) 3) CAC Oro Verde (688) 4) CAC Lonya Grande (205) 5) CAC La Palma (250)	1) Cenfrocafe (2,020) 2) Coicafe (389)	Cecovasa (4,864)	Ecoterra/APSY (500)	CAC Sostenible Valle Ubiriki (228)	Productores Frutos de Selva – Hasojemo (630)
Selection of producer organization	1) Long-standing relationship with CICDA 2) Existing relationship with Cepicafe 3) Replaced cooperatives 4) and 5) which had left the partnership.	1) Existing relationship with GTZ. 2) Fitted the profile of partnership aims, located near Cenfrocafe.	CI was already working in the area of Cecovasa in a nature conservation project.	Area showed great potential for high quality coffee.	Area showed great potential for high quality coffee.	Target area of a program by Foncodes.
Established due to partnership?	1) No. 2) No, but due to earlier project with USAID. 3) No, but due to earlier partnership with UN. 4 + 5) No.	1) No, but due to earlier project with USAID. 2) No, but partnership important for consolidation.	No, already established in 1970.	Yes, formation because of partnership.	Yes, but initiative of farmers.	Yes, formation because of partnership.
Target group of partnership	Selected local producer groups that wanted organic certification and diversify into cocoa, sugar cane, etc.	Only producers without any certification and willing to get C.A.F.E. practices verification.	Only producers that wanted organic certification and grew coffee in high biodiversity areas.	All producers	All producers interested in Utz certification.	All producers interested in Utz certification.

[1] Initiator [2] Implementer of partnership activities [3] No member, but (business) partner/agency $ Funding

3.6 The selection of partnership beneficiaries

When choosing the beneficiaries of a partnership, already existing inter-organizational contacts and relationships with the partnership initiator are the most influential factors, be it on a personal, business or donor-recipient basis (see also table 3.1). For instance, the German technical cooperation GTZ had already been working with Cenfrocafé, a large producer organization in the North of Peru, for a number of years when in 2004 its public-private partnership (PPP) with ICP, a joint initiative of several coffee roasting and trading companies, commenced and it was decided to continue the collaboration with Cenfrocafé. Another producer association was invited to participate in the PPP: Coicafe. This was a newly founded group located near Cenfrocafé which was looking for export channels and had already established business relations with Coinca, the local export subsidiary of Neumann Kaffee Gruppe, itself a member of ICP. In the Norcafé partnership, the long-lasting affinity (both in terms of donor-recipient and kinship ties) of the lead NGO with Cepicafé can be suspected to have been the reason for including this producer organization into the partnership (and also into another partnership dealing with cocoa production), whereas the other participating farmer groups were diligently chosen based on a comprehensive diagnostics before partnership activities began. In the remaining cases, business considerations proved decisive for the selection of partnership beneficiaries. Prime targets were organizations located in areas with potential for high quality coffee and distinguished cup profile in relative proximity to productive and trading infrastructure. Here, too, business contacts already existed, for instance through local trading companies, before partnership activities commenced.

This also implies that partnerships mostly cooperate with established producer organizations and only in few cases do partnerships initiate the organization of independent producers into groups (see table 3.1). This is mainly the case when the potential for specialty quality coffee is exceptionally high, and by creating economies of scale, market opportunities are increased and coffee commercialization is facilitated. Partnership initiators are also more likely to collaborate with big, well-known producer organizations, often second level organizations that incorporate various local producer groups or cooperatives including several hundred or even a couple of thousand producers, while smaller and unknown ones are left out in the majority of cases. “Smaller and unknown ones” here refer to producer groups that do not make big headlines in the coffee community, for instance because they lack the means to participate in public events, are located in highly remote areas, or positioned in the vicinity of other, bigger groups which attract all the attention. Spill-over effects from one producer group to another should not be expected as they are in direct competition with each other and do not have much contact, unless merger plans envisage the integration of a small local group into a bigger, second level group.

Moreover, partnerships are not geared towards all smallholders of a particular producer organization. Only a certain segment of farmers receive technical and other assistance (see table 3.1). For instance, GTZ and ICP limited the number of beneficiaries to 150 farmers of Cenfrocafé, although the organization counted more than 1,700 members at that time. Only six local producer groups were targeted based on their proximity to the head organization, the level of coherence within the groups, the interest in growing high quality coffee and the commitment to sharing experiences with other groups. Eligible were merely those producers that did not yet have any type of certification, so that technical assistance could be focused on one standard only without having to regard requirements of other standards. The partnership assumed that indirectly a far greater number of farmers than the 150 were to benefit since generated knowhow would spread (ICP). Also other partnerships direct their assistance toward a particular section of producers, whether it is due to practical reasons (e.g. only a limited number of technicians are available), pragmatic reasons (e.g. only producers willing to get certified to a sustainability standard) or specific reasons related to partnership goals (e.g. only producers growing coffee in high biodiversity areas).

3.7 Partnerships and certification

Standards and certification schemes grant the certification holder potential access to differentiated markets, which, albeit small in overall size, have demonstrated high growth rates over the last few years (Giovannucci et al., 2008). While development agencies seem to take a more traditional approach in their bilateral projects and rather support organic certification than the newer labels of Rainforest Alliance and Utz Certified, partnerships do not display any such preference and work with the standard that is required by the participating companies or is considered to hold potential for accessing specific niche markets (see table 3.2). Surprisingly, the standard of the global multi-stakeholder initiative Common Code for the Coffee Community (4C) is not used by any of the partnerships. Despite being the biggest partnership initiative in coffee worldwide, established to create a level playing field, 4C does not play any role in partnerships in Peru. Oftentimes, producer organizations have not even heard of the initiative. Similarly, Fair Trade certification is generally not supported by partnerships, although producer organizations themselves are very much interested in Fair Trade and its guaranteed minimum price[10]. Fair Trade certification is thus left to the organizations themselves to obtain.

[10] The current minimum price for Fair Trade is $1.25/lb for washed Arabica and $ 1.20/lb for unwashed Arabica, the Fair Trade premium is $0.10/lb.

Table 3.2 Certification schemes used by partnerships

	Norcafé	ICP + GTZ	CI + Starbucks	Tierra	Sara Lee + WUR	Foncodes + Utz
Certification (verification)	Organic	C.A.F.E. practices	Organic	Rainforest Alliance	Utz Certified	Utz Certified

By assisting producer organizations' members to comply with a certain standard, partnerships frequently pave the way for producer organizations to acquire double or triple certification. Most organizations start with organic certification and in the process of their development try obtaining other labels to cater for a broader range of niche markets. However, not all certifications are used simultaneously, but different markets are targeted according to world market prices and the respective premiums on certified coffee. For instance, in one year producer groups may try to sell as much coffee as certified organic as possible, whereas in the next year, coffee may be mainly sold as Rainforest Alliance certified. If market prices are high, coffee might fetch a good price if sold as conventional, while price premiums received for certified coffee may decrease and do no longer justify the annual certification costs. This reveals that certification is only attractive in certain periods, but loses its profitability in other times. Regardless of market prices, Fair Trade is always a preferred option for producer groups and offers particularly attractive premiums for the double certification of Fair Trade and organic. The price premiums along the chain are made transparent, just as it is a requirement for producer organizations to account for the use of the premiums they receive. With other certification schemes, however, producer organizations criticize that the amount of the price premium received by the exporter from the importer or roaster for certified coffee is not made public. Producers are thus unaware of how much of the additional price paid by downstream buyers makes its way upstream to them and how much is kept by agents along the value chain.

The de facto market requirement to acquire certification comes at a high price to producer organizations and certification costs often put considerable strain on their financial resources. Partnerships may assist producers to comply with certification standards; yet they rarely bear the costs associated with receiving certification and count on the producer organizations to be able to pay for certification out of their own pocket. In the majority of cases, however, this has turned out to be far from reality. Combined with the traditional need for pre-harvest finance, acquiring and maintaining certification entails additional costs which go beyond the capacities of already under-capitalized producer organizations. It is estimated that producers might require up to 60% of the sales value in pre-finance in order to participate in sustainability standards (FAST, 2008). Due to this “financing gap” (ibid.), producer organizations frequently depend on external financial help in order to meet the costs, even after a few years of holding certification. This makes contacts gained through partnerships to other support agencies all the more important.

Assuming that producer organizations are somehow able to pay the certification costs, the benefits outweigh the disadvantages and it is generally acknowledged by producer organizations and partnership associates that certification offers producers a lucrative market opportunity otherwise not available. However, most producer organizations can only sell a portion of their harvest to specialty niche markets and have to supply the rest to the conventional market, which will remain for a long time the most important outlet for coffee. National coffee experts affiliated with the exporting industry have repeatedly criticized the heavy reliance on certification and point to the fact that these niche markets are already experiencing a situation of oversupply as ever more producer organizations receive certification (cf. Navarro, 2007). They propagate a shift towards more attention for strategies concerning quality and quantity issues of conventional coffee to increase farmers' incomes.

3.8 Market linkages promoted by partnerships

All partnerships establish linkages with international buyers, but only three producer organizations out of eight stated that these linkages are vital for the commercialization of their coffee. For the other five organizations, market linkages due to partnership interventions represent only one marketing channel amongst many others, which is beneficial but not critical for the performance of the organization, as they involve rather small volumes of coffee, comprise only high quality, certified beans and end once the partnership terminates. This can cause considerable distress for the producer organizations, as can be seen by the experiences of one case study (Foncodes+Utz). This partnership promoted connections to a local exporting company which was interested in Utz Certified coffee, but not willing to (financially) support the producer organization. Now that the partnership has ended, producers cannot afford certification anymore and for this reason lost the buyer. For the producer organization it has been a difficult and lengthy process to find another buyer willing to assist, so that certification can be regained and quality levels maintained. This unveils once more that sustainability certification by itself is not a sustainable business model unless sufficient support is provided and a buyer is available. Another partnership (Tierra) has fostered the organization of previously independent producers into a second level association in order for them to receive Rainforest Alliance certification (see also tables 3.1 and 3.2). The participating businesses buy the complete harvest and market it in a new product line of sustainable coffee. What is doubtlessly positive for the producers on the one hand, in that it reduces the needs of managerial skills on their part through the support provided by the business partners, can result in the creation of dependency, decrease the bargaining power of the producers and increase their vulnerability on the other hand, as the producers have no alternative market outlet. The fragile balance between the development of good long-term relationships and the nursing of dependency is not only a potential problem of partnership interventions, but has also been recognized for Fair Trade (cf. Tallontire, 2002).

3.9 Partnerships' effects on producer organizations' assets

Our analysis demonstrates that partnerships result in positive effects in most asset categories. At the same time, nearly all effects come with limitations clouding and reducing the actual benefit to producer organizations. For instance, partnership effects can be limited by existing structures at producer organizations in terms of old leadership configurations with paternalistic management styles, and by a deeply rooted mistrust of businesses on the part of the farmers. Additionally, partnerships always face scope and time constraints which result in a focus on particular core activities and a restricted target group. This implicates a factual prioritization of capitals revealing a strong orientation of partnership activities aiming at human capital development compared to, for instance, investments in physical capital. In light of partnerships' emphasis on certification, the motivation to help farmers fulfill requirements of the standards acts as a major driving force here. Therefore, the order of the capitals in table 3.3 reflects their importance in partnership activities as deducted from the field research. Moreover, a top 3 ranking of the partnerships has been established based on the core activities of the partnerships and their identified (cumulative) effects in their respective capital category.

Table 3.3 Effects and limitations of partnerships on the asset base of producer organizations

Capital	Top 3	Effects	Limitations
1. Human Capital	ICP + GTZ, Sara Lee + WUR, Norcafé	• Improved farming skills for higher yields, improved quality & certification	• Reluctance of farmers to adopt new techniques
		• Improved organizational skills & management	• Reluctance of managers to accept new ideas
2. Financial Capital	Norcafé, Tierra, Sara Lee + WUR	• Increased revenues for producers	• Difficult to attribute to partnerships (market development, other external assistance, etc. also play a role) • Not in all cases • Certification costs are high and need to be deducted from the revenues
		• Access to credits	• Only small amounts • Not for individual producers
3. Natural Capital	CI+ Starbucks, Tierra, Sara Lee + WUR	• Improved environmental management through certification and good agricultural practices	• Stringency and inclusiveness of standards vary
		• Promotion of shade-grown production	
			• No investment into access to land
4. Social Capital	Norcafé, Tierra, Sara Lee + WUR	• Strengthened organizational cohesion	
		• Externally induced formation of producer organizations	• Weak organizational structures, dependency on external support
		• Formation of third level specialized cooperatives	• Internal competition complicates the unification of several producer groups • Uneven benefits among organizations
5. Physical Capital	Tierra, ICP + GTZ	• Improvement of processing infrastructure (e.g. pulping machines, processing plants)	• Not all partnership beneficiaries are served equally
			• No/hardly any investment into rural infrastructure benefitting the whole community

3.9.1 Human Capital

Capacity building at farmer level primarily serves the purpose to get producers certified to a specific sustainability standard by improving farm management and post-harvest methods. However, the quick adoption of new production techniques is frequently delayed by the resistance of producers to alter their traditional farming methods, as reported in unison by producer organizations and partnership associates. Nonetheless, the effects of technical assistance are generally positive and manifest in higher productivity (in the case of ICP and GTZ: from 65% of the farmers producing 5-10qq/ha to nearly 50% of the farmers producing around 24qq/ha and a further 22% producing 16-24qq/ha)[11] and enhanced coffee quality

[11] qq = quintal (unit of measurement used in coffee trade). 1 quintal = 46 kilogram = 100 pounds

(exportable coffee from 69% to 76% of total harvest, again ICP and GTZ) (Mercadeando SA).

Effects on human capital at the level of producer organizations are less easily observed and more difficult to attribute to partnerships, as their interventions often coincide with other developments and initiatives taken by the producer groups themselves. Partnership associates also encountered difficulties with long-established management structures and leaders of producer organizations who sometimes feel threatened by the changes brought about by partnerships and slow down partnership activities. Measures initiated by partnerships to strengthen human capital at organizational level include quality analyst ("cupper") instruction, staff member training, leadership formation, and diversification projects. Although producer organizations largely confirm a strengthening effect of these measures, many of them still struggle with weak organizational capacities and fragile internal structures, and require further assistance (cf. JNC, 2007).

3.9.2 Financial Capital

One of the most eminent questions about partnerships is whether they contribute to increased incomes of smallholder farmers. Higher profitability can come about if production costs are reduced or if producers fetch higher prices for their coffee beans. Better farm management, which is generally part of partnerships' technical assistance, can decrease production costs; however, increasing attention to proper, but time-consuming harvest and post-harvest methods can simultaneously raise labor costs. Higher prices can be attained through price premiums for certified coffee – although the costs of certification have to be deducted from this – or higher quality beans. Confirming the findings in other countries (e.g. Bray et al., 2002; Calo and Wise, 2005; Raynolds et al., 2007), certification leads to higher farm gate prices in Peru. Statements by producer organizations and coffee experts, as well as insights into sales contracts lead to the following picture for 2007/2008: premiums for organic coffee total \$0.20/lb, for Utz Certified they amount to \$0.05/lb and for Rainforest Alliance they ply between \$0.10/lb and \$0.15/lb. Quality differentials range between \$0.05/lb and \$0.30/lb, although it is oftentimes difficult to separate certification premiums from quality premiums. Technical assistance provided by partnerships deals with certification as well as quality issues. However, many producer organizations maintain that increased revenues for their members are the result of several concurrent developments and interventions, with partnerships contributing to, but not solely being responsible for, an enhanced financial performance of producers. In contrast, partnership associates assert enhanced incomes for farmers due to their intervention, as high as a 10-50% increase in revenues in the case of Norcafé (VSF-CICDA, 2006). However, neither partnership associates nor producer organizations have the statistical data to back up their claims and estimates are mostly based on farmer perceptions or overall coffee sales of the producer organization (mixing coffee produced by farmers who received technical assistance with those that did not).

All partnerships provide access to some form of credit, yet only for producer organizations and not for individual members. Credit given by partnerships is frequently rather small, so for producer groups it is more important that partnerships establish linkages to international lending institutions and non-profit micro-finance organizations. In order to overcome the problem of limited credit opportunities, only the Norcafé partnership stimulated the collaboration of three producer groups to jointly form a third level credit and savings cooperative which enables individual producers to apply for loans even in case they do not possess property titles. The interest rates of 20% annually are significantly lower than the average of 35-40% used in commercial banking (VSF-CICDA, 2006).

3.9.3 Natural Capital

The majority of partnerships seek to protect natural capital via certification schemes which help improving the environmental management of plantations. Common themes in partnership activities encompass the protection of water resources through waste water treatment, protection against erosion, and stimulation of shade-grown coffee (or more shade than before). Partnerships including conservation NGOs as members go beyond the certification requirements and place particular emphasis on reconciling biodiversity with coffee production, launching reforestation initiatives with native species and introducing solid waste treatment schemes. Not covered by any partnership remains the issue of access to land despite the fact that an estimated 70% of Peruvian coffee producers, even those organized into groups, do not hold property titles but merely certificates of possession (Díaz 2003). This presents a great barrier to gaining access to credit and loans outside of producer organizations and impedes any long-term planning and investment. While this is recognized as an acute problem by most interviewees, producer organizations are left alone to confront this problem without receiving significant support by neither partnerships nor state agencies.

3.9.4 Social Capital

Social capital was strengthened particularly by the Norcafé partnership which helped the participating organizations to improve their management, reinforce internal cohesion and achieve a better negotiation position vis-à-vis international buyers. Stronger ties were also sought with local and municipal governments to promote local economic development and open up the possibility of future cooperation. Moreover, two third level cooperatives were formed; one for savings and loans, as already mentioned, and one for processing and commercialization of coffee (see Physical Capital). The latter is not considered a success by all of the participating producer organizations; yet, the credit cooperative is praised unanimously by all parties.

The remaining partnerships have also strengthened social capital, either by stabilizing existing producer organizations or, in the context of three partnerships, by promoting the organization of independent farmers into groups. Experiences with building up producer organizations from scratch differ firmly: two partnerships (Tierra and Foncodes+Utz) encouraged and arranged for producers to unite to facilitate group certification. This has been successful to the extent that farmers were willing to get organized at all, but the organizations are characterized by relatively small local committees with weak organizational structures and a lack of managerial capacities. Moreover, they are not able to pay for certification costs with their own resources, but depend on external sources of funding. Stimulation by external agents to form producer organizations is thus not risk-free, neither for the participating farmers who risk to be left on their own again once the partnership terminates, nor for the partnership actors who risk the sustainability and recognition of their achievements. A more successful example is provided by another partnership (Sara Lee+WUR), which started its activities with independent farmers but did not encourage them to unify. Only when the farmers wanted to organize out of their own initiative did the partnership provide support for this undertaking. By now, the cooperative has experienced several years of constant growth and is one of the recent success stories of Peruvian cooperatives. Nevertheless, even this cooperative still depends on external support from international cooperation in order to finance its operations.

3.9.5 Physical Capital

Whereas investments into rural infrastructure are normally not part of partnerships' activities, physical capital directed at either quality control or coffee processing is a (side) component of most partnerships. As regarding the former, two partnerships assisted with the construction of a coffee laboratory to allow for better quality control. Concerning the latter, partnerships often distribute small coffee pulping machines which enable producers to do basic on-farm processing before the coffee is transported to centralized wet processing stations. However, local producer groups are numerous and no partnership is able to provide each of them with a pulping machine, leading to discontent on the part of those that did not receive one and often to much debate in assembly meetings of the various groups.

Similar discontent has arisen in the context of the construction of a centralized dry processing plant by the Norcafé partnership, to be used by three producer organizations aligned within another newly founded joint-venture third level cooperative for "multiple services". The partnership donated 209,000 Euros to the processing plant and the biggest of the three producer organizations paid the rest (1,125,000 Euros) by means of loans received from different international finance institutions (Neira, 2008). This contributed to the perception that the processing plant was essentially a property of the biggest producer organization. Feeling excluded and deprived of the benefits, the smallest producer group soon exited the third level cooperative and still looks with mixed feelings on the outcomes of this partnership. This exemplifies the competition which exists among producer organizations and the delicate task of building (physical) capital which serves all partnership beneficiaries equally.

3.9.6 Sustainability outcomes of partnerships

With regard to the sustainability outcomes resulting from the strengthening of assets, we return to the four criteria of the conceptual model: improved environmental management, enhanced market access, increased revenues for producers and organizational strengthening. We observed that improved environmental management was achieved by introducing good agricultural practices as required by sustainability certification and launching additional environmental initiatives, such as reforestation projects. It needs to be taken into account, however, that even without partnership interventions as much as 90% of Peruvian coffee farmers do not use agro-chemicals and produce de facto organic and shade-grown coffee (O'Keefe, 2002). Market access for producers was enhanced by means of acquiring certification and establishing linkages to market actors who would purchase the certified coffee. Yet in many cases, this does not constitute a stable situation. Linkages lapse and certification needs to be maintained throughout the years, which is a resource-intensive and time-consuming effort. Partnerships also led to increased revenues for producers, mainly by enabling farmers to fulfill certification requirements so that coffee could be sold at a higher price. Finally, organizational strengthening was selected as a criterion for sustainability outcomes. Group formation in the shape of producer organizations is vital to address a number of sustainability challenges of the global coffee chain and improve the situation of smallholder farmers. However, producer organizations were often not substantially strengthened by partnerships, be it because partnership activities focalized on certification requirements without paying sufficient attention to other aspects of coffee production, including organizational aspects, or because of difficult situations at producer organizations when being confronted with new management ideas and styles.

3.10 Conclusion

This chapter dealt with the question of what partnerships do in producing countries and what their effects on producer organizations are. In order to answer this question, we developed a conceptual model to analyze the micro-level effects of partnerships by drawing on the sustainable livelihoods literature. The model usefully points to the different assets or capitals of producer organizations, both material and non-material, which affect their ability to successfully participate in global trade and which are strengthened by partnerships to varying degrees. This recognizes that the sustainability outcomes by partnerships should not be reduced to financial aspects, i.e., increased incomes for farmers, but that other asset categories are equally important, for instance to achieve improved environmental management and organizational strengthening. Our conceptual model also encouraged to consider the linkages of producer organizations to global markets and the importance of increasing market access for producer organizations.

Because of partnerships' emphasis on accessing specialty markets, developing human capital required to obtain certification is at the core of partnership activities. This simultaneously leads to a strengthening of financial capital by means of price premiums for certified coffee and natural capital through improved environmental management as required by the standards. However, it was discovered that partnerships perform less strongly when it comes to strengthening social capital. Producer organizations are often not being stabilized and still depend on external financial support. This exposes the factual trade-off between preparing producers for certification and empowering organizations towards self-sustainability. The premise of many partnerships to develop the self-help capacity of producer organizations within a time frame of 3-4 years is a risky undertaking in light of the high certification costs and the dependence on donors or others to cover some of these costs.

The focus of partnerships on certification reveals another pattern of partnership traits surrounding the question of who benefits from the current partnership trend. Large, well-known producer groups, often second level organizations, constitute the preferred "object" for cooperation, while smaller and unknown ones are regularly left out. Large organizations seemingly have distinct characteristics, such as resources, stability, and production volume, which are necessary to attract partnership funds. Some of those large producer organizations are even able to participate in different partnerships at the same time, including partnerships on other products than coffee. This suggests an imbalance – and competition – among producer organizations regarding who receives how much external assistance. It also implies that producer organizations supported by partnerships are able to strengthen their market position vis-à-vis competing producer organizations. Likewise, imbalances exist within producer organizations as not every producer is included in partnership activities. Only those farmers are targeted that have the potential to obtain certification and deliver high quality coffee. The other ones are left out in the hope for spill-over effects. This could indicate that partnerships are going for the low hanging fruit, thus producers with whom successful outcomes are most likely to occur in order to create economies of scale for certified coffee. An indirect effect of this could be the further marginalization of unorganized farmers who are unable to enter certification and access the specialty markets as promoted by partnerships.

Although our findings only relate to research on coffee partnerships in Peru, it does not seem far-fetched to extend our final point to agricultural commodities grown by smallholder farmers in developing countries in general. Ultimately, these farmers have to shoulder the main problems related to agricultural commodities and their organizations are expected to deal with a myriad of issues, ranging from market access, business administration, quality control and credit access, to producer training, environmental protection, product diversification and even community development. It is highly unrealistic to assume that producer organizations could manage without external assistance. It is equally clear that partnerships are not a panacea for meeting the sustainability challenges of agricultural commodity chains. But by strengthening the asset base of producer organizations, partnerships can result in various sustainability outcomes to the benefit of smallholder producers and their organizations.

Positioning chapter 4

Chapter 4 aims to answer the following research question:

What is the relationship between the organizational features of partnerships and the outcome capacity of partnerships to facilitate smallholder inclusion in value chains?

This chapter relates to the idea of chapter 3 inasmuch as the chapter both looks at and conceptualizes the local level outcomes of partnerships on smallholder producers. The point of departure are the institutional challenges that hinder smallholder farmers from participating in value chains, including lacking, insufficient or instable market access, information, credit and producer organizations. These challenges point towards a mismatch between the existing local practices and institutions of smallholders, and the institutions required for participation in value chains[12]. Thus, in order to integrate smallholders into chains, partnerships need to consider the institutional challenges of smallholder inclusion – a task that is expected to determine the internal set-up of partnerships. This set-up concerns, for instance, the questions of which actors are partnering and how closely they cooperate. The chapter analyzes this expectation and studies the relationship between the institutional changes required for smallholder inclusion and the types of partnerships that have been set up to achieve this goal. In relation to the overall research question of this dissertation, this is translated as the relationship between the outcome capacity to facilitate smallholder inclusion and the input capacity of partnerships. Based on a literature review, four hypotheses regarding this relation are formulated and applied to thirteen partnerships dealing with smallholder inclusion in Africa and Latin America with the aim to identify key areas in which partnerships differ, and to suggest aspects that are required to achieve inclusive institutional change. Thus, the chapter aims to make a contribution towards a more integrative theory on partnerships for smallholder inclusion.

The chapter forms part of the project "Value chain governance and endogenous growth: How can NGOs, firms and governments achieve inclusion and poverty reduction?" of the Dutch-based Development Policy Review Network (DPRN). The aim is to build on the insights and knowledge of researchers active in the field of value chains in order to arrive at a better understanding of how value chain interventions, institutions and chain configurations impact development outcomes.

[12] This chapter refers to value chains rather than commodity chains as not all of the case studies of the chapter deal with primary bulk products, but also with high-value products. Therefore, the broader term value chain is used.

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4 Partnering to facilitate smallholder inclusion in value chains

4.1 Introduction

Agriculture is of critical importance to the livelihoods of millions of poor people in rural areas. Poverty-alleviating growth, therefore, depends to a large extent on access to lucrative consumer markets for poor producers. Historically, research has emphasized the resource and asset constraints faced by smallholder farmers as impediments to agricultural growth (e.g. Nelson, 1956). Over the last two decades, this has been complemented with insights on the relevance of institutions for economic and agricultural development (North, 1990; Harriss et al., 1995; Dorward et al., 2003). Access to assets is a necessary but not sufficient condition for escaping poverty, if smallholder farmers additionally face institutional constraints that prevent them from taking advantage of market opportunities (De Janvry and Sadoulet, 2001). A lack of information on prices and technologies, few or no connections to market actors, underdeveloped financial markets and scale diseconomies make it difficult for smallholders to reach out to international markets or to emerging domestic ones. Thus, new institutional arrangements are needed to fill the gap between current local practices or institutions and the institutions required to enable farmers to participate in value chains.

In response thereof, partnerships between businesses, NGOs, farmers and public agencies have emerged to facilitate the inclusion of smallholders in value chains. Inclusion indicates that smallholders have sustained and voluntary access to a specific value chain, but it does not necessarily denote any differences in welfare outcomes between those included and those not (Berdegué et al., 2008; Riisgaard et al., 2008). Partnerships are defined as voluntary and collaborative arrangements between actors from two or more societal sectors, i.e. state, market and civil society, which have an institutionalized, yet non-hierarchic structure and strive for a sustainability goal (Glasbergen, 2007). The rise of partnerships is mainly associated with the complementarities among participating actors, which, in theory, allow for the inclusion of smallholders by improving the division of labor along the value chain. Extending Hall and Soskice's (2001) concept of institutional complementarity to partnerships, actors can be said to be complementary if the presence (or efficiency) of one actor increases the returns to (or efficiency of) the others. Thus, roles that were traditionally played by one actor can benefit from being shared with, or transferred to, other actors (Narrod et al., 2009). As such, collaborative advantages are created based on differences in participants' comparative advantages. The increasing recognition of complementarity reflects, among others, failures within each societal sphere, i.e. state failure, market failure and civil society failure, which make single actor solutions insufficient. By building on the expertise of each member, partnerships seek to simultaneously fulfill development goals and private business interests.

While partnerships have made a remarkable breakthrough in the development discourse, little is known about the partnership set-up and characteristics required to advance the inclusion of smallholders in value chains. It is not clear to what extent partnerships deal with the institutional constraints faced by smallholders and how the outputs of partnerships relate to their input-oriented aspects. Yet, if partnerships are defined in terms of the tasks they are to perform, one would expect a relationship between partnership characteristics and the institutional challenges addressed by partnerships directed at smallholder inclusion. This chapter explores this expectation and analyses the relationship between the institutional changes required for smallholder inclusion and the types of partnerships that have been set up to achieve this goal. Thirteen case studies from previous research are drawn upon to identify key areas in which partnerships differ and to suggest aspects that are required to achieve inclusive institutional change. The overall aim is to contribute to an integrative theory on partnerships for smallholder inclusion in value chains.

The chapter proceeds as follows. It first elucidates the institutional constraints faced by smallholder farmers in developing countries and sketches the tasks of partnerships for smallholder inclusion (section 4.2). It then constructs a conceptual framework based on a review of the literature on partnerships and collaboration in order to identify the input factors by which partnerships are commonly classified (section 4.3). This framework is also used to formulate a set of propositions connecting the output dimension of smallholder inclusion to the input dimension of partnerships. This is followed by the operationalization of the propositions (section 4.4) and a description of the research methodology (section 4.5). Section 4.6 presents the main results of the research. The final section reflects on the findings to lay the groundwork for an integrative theory on partnerships.

4.2 Institutional constraints to smallholder inclusion in value chains

Although smallholder farmers dominate much of agricultural production in developing countries and show higher efficiency per unit of production than larger farms (Hazell et al., 2007; Amanor, 2009), they face a multitude of constraints that prevents them from accessing profitable market opportunities. In addition to the more general problems of poor infrastructure, low education and poor health, Dorward et al. (2005) observe that important technological and institutional gaps hinder smallholders from producing for and transacting in higher value markets.

Adopting an old institutionalist view, Hodgson defines institutions as "durable systems of established and embedded social rules that structure social interaction" (Hodgson, 2003: 163). Consisting of regulative, normative and cognitive structures, institutions both constrain and enable actors' behavior (Scott, 1995). They reduce uncertainty, make behavior more predictable and unburden social actors from continuously having to make strategic decisions (Goodin, 1996; Offe, 1996). Contrary to the old institutionalist approach, new institutional economists accentuate the behavior-constraining aspect of institutions. They speak of institutions as the 'rules of the game' (North, 1990), which reduce transaction costs and solve problems of information asymmetry (Williamson, 2000). A key point emerging from this literature is that a weak institutional environment, together with a low density of transactions, results in high transaction costs, which leads to coordination failure, and hence, market failure. This further raises transaction costs and fuels a 'low level equilibrium trap' in which rural producers are caught (Dorward et al., 2003). Thus, whereas market institutions appear to be a neutral regulatory framework, they can be biased against specific groups, since market institutions determine who participates in markets, the objects of exchange, the rules of exchange and the rights and obligations of participants (Chang, 2002). Worldwide, business environments tend to be less favorable for small enterprises, especially those in developing countries (Schiffer and Weder, 2001).

Following the retreat of the state from agricultural production and marketing in most developing countries, firms are now the key players in the technological and institutional processes that can overcome the gaps between local institutions or practices and the institutions required for participation in value chains. Similarly, NGOs can help to overcome market and government failures in these processes (Dorward et al., 2003). As a source of collective action, partnerships are presumed to hold the same potential to construct new institutional arrangements in order to make technological improvements work for smallholder farmers. This can entail the provision of training and technical assistance or the establishment of market information systems. More specifically, partnerships can be active in four domains in which smallholder farmers in developing countries face key institutional constraints: technology, capital, markets and producer organizations.

4.2.1 Technology

Agro-food chains have evolved rapidly in recent years and demands on suppliers have risen substantially. Producers are required to keep pace with technological and managerial innovations, to link with value chains and to comply with changing consumer preferences as well as public and private standards. However, smallholders often lack the knowledge and technology required to meet such standards, and do not have access to post-harvest, storage and processing facilities. This situation is aggravated by poor information systems in developing countries, including agricultural extension services which often do not take into account smallholders' resource constraints, strategies and needs (Biénabe et al., 2004).

Partnerships commonly address the absence of technology, information and knowledge in two alternative ways. One is by making governmental research and extension services more responsive to changing market demands by developing institutional arrangements that foster collaboration between public technology providers, farmers and buyers. The other is by encouraging buyers to work directly with farmers and to pass on the knowledge and technology that is essential for participation in their supply chain. Such technology and information transfer can be more or less demanding, depending on whether partnerships focus on a single product via producer specialization or on a variety of products by means of farm or product diversification. In the latter case, a multiplication of institutional gaps may occur as new value chains need to be developed.

4.2.2 Capital

Limited access to finance acts as a key barrier preventing smallholders from participating in dynamic value chains. Though financial capital is required for investments in new technologies and production methods, smallholder farmers are often cash-constrained, especially during harvest periods. On the one hand, this is problem of limited supply of finance, due to the decline of rural credit institutions in developing countries over the last two decades. On the other hand, this is a structural problem as smallholders are generally not considered creditworthy because they lack collateral, have uncertain income and are reputed to behave opportunistically when it comes to contract compliance. As a result, smallholders are unable to borrow or can borrow only at excessively high interest rates.

In the short term, partnerships can address this institutional constraint by providing farmers or their organizations direct access to loans, either in cash or in-kind. In the long term, partnerships can establish interlocking credit arrangements involving banks, farmers, NGOs and governments, or promote value chain-internal credit provision by commercial buyers. Higher payback rates can be ensured by strengthening farmer credit groups and by training farmers in financial and contract discipline.

4.2.3 Markets

A major impediment to farmers in developing countries is the absence of markets capable of absorbing surpluses in regions where the majority of the population is engaged in farming. Remunerative market access is often hindered by the remoteness and dispersion of rural producers, by low production volumes of individual farmers, implying high transaction costs, and by a lack of competition among a limited number of buyers. Any surplus of a locally produced crop therefore causes a collapse of the local market price, which is a disincentive for longer term upgrading strategies (van Huis et al., 2007). At the same time, when markets are inaccessible, smallholder farmers capture little of the value that they create and distribution costs for rurally produced goods tend to be very high (Gulati et al., 2007). Finally, the absence of established institutions for market exchange, including contracts, trading practices, codes of conducts and social norms, such as trust and reciprocity, limits producers' gains from trade.

Partnerships can address the lack of profitable markets by pursuing longer term buyer commitments to farmers via contractual arrangements. Partnerships may, for example, press buyers to offer farmers multi-year market guarantees in terms of volumes and prices. Linking farmers to markets can either be pursued by focusing on existing markets or by exploring new market opportunities. The former includes strengthening the position of farmers and improving the functioning of existing markets, whereas the latter may require a strategy for entering a niche market or switching the crops cultivated (Biénabe et al., 2004).

4.2.4 Producer organizations

Due to their size, smallholders have difficulties benefiting from economies of scale that would help to reduce production and transaction costs. One way of circumventing the problem of scale diseconomies is by enabling collective action in the form of producer organizations. There is increasing evidence that producer organizations allow smallholder farmers to participate in markets more effectively (Markelova et al., 2009). Producer organizations can reduce the transaction costs associated with accessing inputs, information, technology and credit, and with processing and marketing activities. This enables smallholders to compete with larger producers and improves their bargaining power vis-à-vis buyers. However, farmers are often unorganized and lack collective action capacity. By the same token, producer organizations often have difficulty fulfilling their assigned tasks due to limited management skills and undercapitalization.

To address the lack of collective action capacity, partnerships often seek to establish new farmers' groups or to strengthen existing ones. Where producer organizations do not yet exist, partnerships may induce the organization of individual farmers into groups and establish institutional arrangements related to the internal transparency and sustainability of these groups. Where partnerships work with existing producer organizations, they could strengthen their strategic capacities, offering programs to boost leadership, and enhance their business acumen, strengthening management and financial administration skills.

4.3 Conceptual framework

Having explored the output dimension of smallholder inclusion based on the institutional challenges faced by smallholders, we now address the input dimension of partnerships, that is, key internal features of the partnerships. If partnerships for smallholder inclusion are defined in terms of the tasks they are designed to perform, one would expect these tasks to be related to the input dimension of partnerships – an expectation that we intend to test by means of a number of propositions.

A review of the literature on partnerships and collaboration reveals that partnerships are mostly classified based on four characteristics: (i) the objectives of the partnership, (ii) the degree of engagement of the various partners, (iii) the intensity of involvement and (iv) the conceptualization of development. Regarding the objectives of the partnership, classifications usually refer to the functions that partnerships seek to fulfill, such as the promotion of responsible business behavior and the development of sustainable products (cf. Witte and Reinicke, 2005; Glasbergen, 2007). However, considering that this chapter looks only at partnerships that aim to facilitate smallholder inclusion in value chains, the type of objectives does not serve as a useful input factor which could be connected to the output dimension of partnerships.

More helpful for our purpose is to look at the cooperation among actors. The literature on collaboration offers a valuable point of departure by placing partnerships on a continuum of increasing degree of engagement. Based on the level of formalization, goal alignment, resource-sharing and trust, a distinction is often made between informal cooperation in networks and formal collaboration in partnerships as the two opposing ends of this continuum (cf. McQuaid, 2000; Casado, 2008). Networking is the loosest form of relationship among actors and remains largely implicit and casual (Camarinha-Matos and Afsarmanesh, 2006). Collaboration presents the highest strategic level of engagement and implies that the partners share risks, resources and rewards (Austin, 2007). This also entails a formalization of governance structures, including contractual arrangements to specify objectives, activities and responsibilities. Moreover, the relationship between actors refers to the range of actors actually participating in the partnership. The value of partnerships lies in their potential to create win-win situations where all stakeholders are willing and able to contribute to the achievement of goals. In other words, for partnerships to reach their goals, broad participation of all critical stakeholders “is not simply tolerated, but must be actively sought” (Ansell and Gash, 2008: 14). This is based on the idea of complementarity between actors. Actors from different societal sectors have different expertise and can thus assume different roles and complement one another. Partnerships in which all sectors are involved aim, in particular, to fill an institutional void and compensate for the inability of each sector to solve problems on its own (Kolk et al., 2008). Summing up, a high level of stakeholder engagement is considered a key factor for successful partnerships, particularly when partnerships deal with ambitious and complex issues (Springer-Heinze, 2007; Ansell and Gash, 2008). Therefore, our first proposition relates the degree of engagement of actors to the institutional complexity faced by smallholder farmers.

Proposition 1: The higher the degree of institutional complexity of smallholder inclusion, the higher is the degree of actor engagement in partnerships.

Moreover, the literature discusses the intensity of involvement of the different stakeholders. While broad participation of all relevant stakeholders is crucial, there are important nuances in terms of active participation. These touch upon questions of ownership, which are mostly discussed in reference to local stakeholder and community involvement. Involvement of these actors is generally thought to be desirable, as it ensures that local needs are recognized, that gains are passed on to local populations and that ownership does not exclusively lie with powerful actors, such as businesses and international NGOs (Witte and Reinicke, 2005). Rein and Stott (2009) discuss a rough scale ranging from little local stakeholder involvement and local stakeholders having a passive role to local stakeholder involvement being of fundamental importance to partnering. The same scale can be utilized for other stakeholders as well. As involvement increases, ownership of the partnership increases, which, in turn, implies a shared responsibility for the process (Tennyson and Wilde, 2000). Ownership is important for the acceptance of institutional changes and hence, for the sustainability of the changes. Longer term cooperation, as opposed to one-off deals, and more complex situations are likely to require a higher intensity of collaboration among stakeholders (Springer-Heinze, 2007; Ansell and Gash, 2008). Applied to the issue of smallholder inclusion, this gives ground for our second proposition.

Proposition 2: The higher the degree of institutional complexity of smallholder inclusion, the higher is the intensity of actor involvement in partnerships.

The literature on partnerships for development pays special attention to the involvement of private sector actors in partnerships. Previously regarded as the "enemies, unconscious engines, or ungrateful beneficiaries of development" (Bendell, 2005: 363), businesses, as powerful chain actors, have now been assigned a new role in development which is complementary to the role of NGOs and government agencies and is reflected in the formation of partnerships. This stems from the recognition that large buyers, such as retailers and global brands, are often in a position to set the parameters under which other actors in the chain operate and determine how resources are distributed and allocated along the chain. These 'lead firms' provide market opportunities and have access to knowledge, technology and financing; they thus play a key role in driving and coordinating value chain upgrading (Altenburg, 2007; Guaipatín, 2007). Firms' dominance in value chains makes them "obvious candidates for collaboration" (Springer-Heinze, 2007: 10) because they can increase the efficiency and impact of partnerships (Altenburg, 2007). In other words, the success of linking smallholders to markets depends to a large extent on the active involvement of lead firms, which also purchase the produce of smallholders. Accordingly, our third proposition deals with the involvement of lead firms in partnerships.

Proposition 3: Partnerships involving lead firms address a higher complexity of market institutions than partnerships without the involvement of lead firms.

Finally, partnerships can be distinguished based upon their underlying conceptualizations of development and approaches to regulating international economic activity (Reed and Reed, 2009). Partnerships rooted in neo-liberalism reinforce the primacy of market forces and attempt to set in motion a fundamental shift in state-market relations (Utting and Zammit, 2009). Partnerships associated with 'embedded liberalism' accept the reality of economic liberalization, but seek to alleviate the negative consequences of global capitalism (ibid.). This is associated with ideas such as 'entrepreneurs as promoters of peace' and 'help others help themselves'. Partnerships following the 'Making Markets Work for the Poor' (MMW4P) approach focus particularly on promoting entrepreneurship and market institutions to create income opportunities for the poor (cf. Ferrand et al., 2004). Finally, partnerships promoting 'alternative globalization' postulate a change of contemporary trade based on empowerment of the poor and strong linkages to social movements (Reed and Reed, 2009). The latter two approaches to development, i.e. MMW4P and alternative globalization, can be considered more holistic and directed to the needs of the poor than the first two approaches, i.e. neo-liberalism and embedded liberalism. This leads to our final proposition.

Proposition 4: Partnerships following the MMW4P or alternative globalization approach address a higher institutional complexity than partnerships promoting neo-liberalism or embedded liberalism.

4.4 Operationalization

4.4.1 Output dimension: degree of institutional complexity

The categorization around the degree of institutional complexity builds on the general assumption that there is a gap between current local institutions or practices and the institutions required for participation in value chains. This concerns all domains equally, i.e. technology, finance, markets and producer organizations. The more partnerships seek to fill this gap by building new institutional arrangements that can overcome constraints, the higher is the degree of institutional complexity. More specifically, the institutional complexity addressed by partnerships can be defined in a two-fold way: firstly, by the number of areas in which institutional gaps need to be filled and, secondly, by the extent of the mismatch between existing local institutions and those required for value chain participation. If partnerships do not address a particular domain at all, the degree of complexity is low, or rather non-existent, in this domain. If partnerships build on existing structures and try to improve them to narrow an institutional gap, the institutional complexity is medium. A high degree of institutional complexity occurs in situations where partnerships establish a completely new institutional arrangement.

4.4.2 Input dimension

Degree of actor engagement

The degree of actor engagement relates to the question of how closely actors from different societal sectors cooperate. This can be expressed in the degree of formalization of the partnership. The more intense the level of collaboration between actors, the greater is the need for partnership activities to be based on formal procedures, rules and regulations which are contractually established between the parties and which specify the objectives, activities and timeframe of the partnership. The degree of actor engagement can also be expressed as the range of actors that are involved in the partnership, indicating the number of societal sectors that are represented in the partnership, i.e., producing country governments, private sector actors, NGOs and producer organizations.

Intensity of actor involvement

The internal dimension of partnerships is also explored in terms of the intensity of actor involvement. If an actor's involvement is vital for the functioning of the partnership, from its design to its monitoring, we speak of a high degree of involvement. A medium degree of involvement occurs when an actor participates only during the implementation stages, fulfilling particular tasks. If an actor participates sporadically or not at all, we speak of no involvement.

Table 4.1 presents the full set of indicators and scores for rating the external and internal dimension of the partnerships.

Table 4.1 Indicators and scores for ratings

	Indicators and Scores for Rating Partnerships		
	0	**1**	**2**
1. OUTPUT DIMENSION Degree of institutional complexity			
Degree of technological complexity	No new technology arrangements	Technology is not entirely new, but only concerns a functional aspect	Technology is entirely new. This can refer to a new crop or an entirely new cultivation technique
Degree of credit provision complexity	No new credit arrangements for smallholder producers	Credit provided by chain promoters or credit provided by developing arrangements between smallholders and financial service providers	Credit provided by developing arrangements between small producers and chain actors (buyers) to achieve chain-internal financing
Degree of marketing complexity	No new marketing arrangements	Existing marketing arrangements improved	New marketing arrangements introduced
Degree of complexity of producer organizations	No new producer organizations	Existing producer organizations improved	New producer organizations created
2. INPUT DIMENSION			
2.1 Degree of engagement			
Degree of formalization of the partnership	Ad hoc planning and implementation	Only broad objectives. Formalized planning concerns only a certain number of partnership actors	Common objectives, formalized planning and budget, agreed upon among all actors
Number of sectors involved	Two societal sectors	Three societal sectors	All four societal sectors
2.2 Intensity of involvement			
Degree of producer organization involvement	No producer organization involvement	Participation of producer organization only for the implementation stages	Participation of producer organization is vital for the whole partnership, from design to monitoring
Degree of domestic government involvement	No involvement of domestic government	Participation of domestic government only for the implementation stages	Participation of domestic government is vital for the whole partnership, from design to monitoring
Degree of private sector involvement	No private sector actor involved	Private sector actor involved, but not the lead firm	Lead firm involved
Degree of NGO involvement	No NGO involved	Participation of NGO only for the implementation stages	NGO plays a lead role for the whole partnership, from design to monitoring

4.5 Methodology

This chapter builds on the insights and knowledge of the authors, drawing on primary research from five previous papers by the authors, either published or forthcoming. It makes use of case studies on 13 partnerships in different value chains (table 4.2). Data on the partnerships was collected in the 2006–08 period.

Table 4.2 Case studies

Case No.	*Overview*	*Source*
Case 1	One partnership in the asparagus sector in Peru	Helmsing (2008)
Case 2	One partnership in the wool value chain in South Africa	Helmsing and Cartwright (2009)
Cases 3-5	Three partnerships in West Africa: the mango value chain (Burkina Faso and Mali), the cotton garment chain (Burkina Faso) and the sorghum beer chain (Ghana)	Van Wijk et al. (2009)
Cases 6-11	Six partnerships in the coffee sector in Peru	Bitzer et al. (forthcoming)
Cases 12-13	Two partnerships in the cotton sector in sub-Saharan Africa (in Burkina Faso, Benin, Zambia, Mozambique and Uganda)	Bitzer and Glasbergen (2010)

We first reviewed the literature on partnerships and collaboration in order to construct our conceptual framework and formulate our propositions. The literature review was also used to operationalize the propositions by means of defining the categories on which partnerships were to be compared and by detailing indicators for the categories of comparison. Subsequently, we resorted to our case studies to test the propositions. We started our analysis by examining the partnerships according to a set of criteria, rendering an overview table of the major characteristics and outcomes of the partnerships. This table provided the basis for rating the partnerships on institutional complexity, degree of actor engagement and intensity of actor involvement, including the role of businesses. The rating process began with each author separately rating the partnerships based on the overview table and individual knowledge of the case studies. We then double-checked and compared our ratings in a joint process. Although the ratings were largely congruent, we did encounter cases where individual scores differed. These differences arose due to our differing knowledge of the case studies and were resolved by means of collectively re-examining the partnership data, upon which we arrived at a consensual agreement. While we collectively hold primary, qualitative knowledge of the case studies – in every case at least one of the authors was involved in the primary research –, we recognize that our approach has limitations. Most importantly, our reliance on previously collected data implies that the cases were not designed according to the conceptual framework of this study, but originally served a different, albeit related research purpose concerning smallholder inclusion.

4.6 Results

4.6.1 General results

Most of the partnerships in our sample were initiated between 2001 and 2005, though three originated in the mid-1990s. The majority of the partnerships emerged in response to changes in global demand or shifts in supply which provided a window of opportunity for partnerships to create new agro-export outlets for specific smallholder products in global value chains. Considerations of securing supply played only a minor role in our cases. Instead, the rise of new specialty markets, such as markets for fair trade, organic and high-quality products, contributed to the emergence of partnerships promoting standards as an entry point for connecting smallholders to a global value chain. Buyers participated in these partnerships as part of their corporate social responsibility activities and to satisfy customer demand for sustainable products. Our case study partnerships rarely tried to reconfigure existing agro-chains. Only two of the partnerships sought to improve existing chains by increasing the participation of rural farmers or by improving environmental and social conditions at the production level while working with the same set of value chain actors.

The activities of the partnerships to facilitate smallholder inclusion in value chains were rarely backed by government policy. Most of the partnerships operated in contexts where governments offered limited support and extension services to producers and broadly disregarded opportunities of niche markets for sustainable and specialty products. Over the past few years, however, our case studies indicate that governments have become more interested in niche markets and more attentive to the performance of partnerships as new governance arrangements.

The outreach of the partnerships varied widely. In contrast to past NGO practices (e.g. Wils, 1997), our sample shows that NGOs are becoming more able to upscale their interventions through the partnership mechanism. Only two of the 13 partnerships involved less than 500 producers, whereas five partnerships reached more than 5,000 producers, and one partnership included more than 140,000 smallholder farmers. Standardizing the duration of the partnership in years, we found an average annual reach of the partnerships of more than 2,200 farmers (see table 4.4).

4.6.2 Comparative analysis

We now come to the core analysis of this chapter dealing with the connection between the output dimension of smallholder inclusion and the input dimension of partnerships. We rated each partnership on a scale of 0, 1 or 2 and added the scores for the different sub-categories to arrive at an aggregate measurement for each category, such as institutional complexity. Table 4.3 shows the results of the partnership ratings and table 4 displays the variation in partnerships.

Table 4.3 Partnership scores and classifications

	Partnership Case												
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
Institutional complexity													
Technology	2	1	2	2	1	1	2	2	1	1	1	1	2
Credit	2	0	2	2	2	0	2	2	0	2	0	0	1
Markets	2	1	2	2	2	2	1	0	1	2	0	1	2
Producer organization	2	2	1	2	2	1	2	1	1	2	2	0	2
Total complexity	**8**	**4**	**7**	**8**	**7**	**4**	**7**	**5**	**3**	**7**	**3**	**2**	**7**
Degree of engagement													
Formalization	0	1	1	2	2	1	2	2	2	2	2	2	1
Sectors involved	0	1	2	0	0	1	1	0	1	1	1	0	1
Total engagement	**0**	**2**	**3**	**2**	**2**	**2**	**3**	**2**	**3**	**3**	**3**	**2**	**2**
Intensity of involvement													
Producer (organization)	0	2	1	2	0	1	1	1	1	1	1	0	1
Domestic government	0	1	1	0	0	0	0	0	1	0	2	0	0
Private sector	**1**	**0**	**1**	**0**	**2**	**2**	**2**	**0**	**2**	**2**	**0**	**2**	**2**
NGO	2	2	2	2	2	1	1	2	0	1	1	2	1
Total involvement	**3**	**5**	**5**	**4**	**4**	**4**	**4**	**3**	**4**	**4**	**4**	**4**	**4**
Development model	**EL**	**M4P**	**M4P**	**M4P**	**M4P**	**EL**	**EL**	**AG**	**EL**	**EL**	**EL**	**EL**	**AG**

Table 4.4 Variation in partnerships

	Overall Average		Institutional Complexity Scores		Lead Firm Involvement		Development Model	
	(N=13)	High (7–8) (N=7)	Low (2–5) (N=6)	Yes (N=7)	No (N=6)	MMW4P (N=4)	EL (N=7)	AG (N=2)
Degree of engagement	**2.31**	**2.28**	**2.33**	**2.50**	**2.00**	**2.25**	**2.28**	**2.50**
Degree of formalization	1.54	1.43	1.67	1.71	1.33	1.50	1.57	1.50
Number of sectors involved	0.69	0.71	0.67	0.71	0.67	0.75	0.71	0.50
Intensity of involvement								
Producer (organization)	0.92	0.85	1.00	0.71	1.16	1.25	0.71	1.00
Domestic government	0.38	0.14	0.67	0.14	0.67	0.50	0.43	0
Private sector	1.23	1.42	1.00	2.00	0.33	0.75	1.57	1.00
NGO	1.46	1.57	1.33	1.14	1.83	2.00	1.14	1.50
Institutional complexity	**5.54**	**7.29**	**3.50**	**5.29**	**5.83**	**6.50**	**4.85**	**6.00**
Technology	1.46	1.71	1.16	1.28	1.67	1.50	1.28	2.00
Credit	1.15	1.86	0.33	1.00	1.33	1.50	0.85	1.50
Markets	1.38	1.86	0.83	1.57	1.16	1.75	1.29	1.00
Producer organization	1.54	1.86	1.16	1.43	1.67	1.75	1.43	1.50
Coverage								
Average annual reach (producers)	2,276	619	5,591	4,203	440	871	3,757	1,178

Degree of institutional complexity

All of the partnerships addressed the issue of technology and at least one other institutional domain. While the majority of the partnerships engaged in all domains to some extent, involvement in credit facilities as an element of institutional complexity was relatively low and involvement in producer organizations was relatively high. The degree of institutional complexity has important implications for the outreach of the partnerships. Partnerships with low scores on institutional complexity had an annual coverage of 5,591 farmers, while partnerships with a high score on institutional complexity worked with only 619 producers annually on average.

All of the partnerships supported farmers in technological improvements so that they could comply with the product and process quality standards required to gain entry to value chains. In cases where the partnership involved a lead firm, such as Starbucks, specific corporate quality standards were used. In the other cases, non-firm–specific quality standards, such as organic or fair trade, were introduced by NGOs or cooperatives. Particularly in the case of coffee, the partnerships promoted a wide variety of standards. The adoption of international, corporate or product-specific quality standards requires substantial changes in farming behavior, harvesting and post-harvesting processes. Thus, partnerships represent a new source of technological change in agriculture, which can co-exist with governmental services or even replace them. Global demand for new products and production processes acts as a driving force for this development. This does not imply, however, that partnerships must include a lead firm or other private sector actor in order to pursue upgrading strategies, since product standards and more generic quality standards, such as good agricultural practices and organic standards, are publicly available. However, despite high growth rates over recent years, some of these 'specialty' markets are already experiencing oversupply, as ever more producer organizations aim for certification. This has major implications. Firstly, the price premiums associated with certified products will decline as supply outstrips demand. Secondly, standards can easily become requirements demanded by the global market as a condition but not a guarantee for market access. Producers need to forge and maintain specific links to buyers interested in such products. Thus, external chain promoters, such as NGOs, fare better if they are connected to global market actors to ensure that smallholders benefit from their adherence to standards.

Addressing credit institutions seems to be an important reason for variation in the degree of institutional complexity across the partnerships. In eight of our cases, pre-finance was arranged for by the partnership. The group of partnerships with a high rating for complexity also scored substantially higher on credit institutions than the low complexity group (1.86 versus 0.33) (see table 4.4). The scores for the other institutional domains were higher for the former as well, but the difference was less pronounced. Credit was facilitated either through actors external to the chain, such as NGOs, banks or social lending institutes, or through buyers who mostly provided in-kind pre-finance, comprising seed, fertilizer and pesticides. Group finance seemed to be the preferred institutional arrangement for extending credit to smallholders. This was a new arrangement for most farmers and required substantial support from NGO partners. Five of our partnerships did not address the issue of pre-finance at all. The coffee partnerships are especially conspicuous in this respect, as three of the six did not provide any pre-finance to producer organizations. Although pre-harvest inputs are less needed for coffee production than for annual crops, loans are nonetheless required to pay annual certification costs as well as for coffee processing and marketing. The lack of credit opportunities represented a barrier to maintaining certification and to stabilizing operations. Interestingly, two of the three partnerships in our sample that did not include a private sector actor also did not manage to arrange pre-finance from buyers. While our sample size does not allow for conclusions on this matter, this aspect seems worthwhile to explore in future research.

Most of the partnerships – 11 of the 13 – addressed market arrangements. This generally meant that farmers had at least a contract farming relationship, which, however, did not necessarily constitute a stable situation. Most contracts were annual; only in two cases did the contracts cover a time-span of five years or longer. The three partnerships that lacked participation of a business actor seemed to be predominantly supply-oriented, since no value chain was readily available and had to be sought. Here the long-term buyer's perspective was missing, and hence there was no prospect of a price guarantee.

In order to have an inlet to reach smallholder farmers, nearly all of the partnerships cooperated with producer organizations. Where no such organizations existed, the partnerships focused on changing inter-farmer relations by forming farmers' groups. These groups serve as basic training, certification and credit units, and are crucial to create economies of scale. However, there were important challenges associated with the establishment and strengthening of producer organizations. The major difficulty did not lie in producing goods collectively, but rather in establishing regulations and transparency in order to achieve efficiency, stemming from the lack of human, material and financial resources of producer organizations.

Degree of actor engagement

With regard to the degree of actor engagement, the majority of the partnerships in our sample involved representatives of two or three societal sectors. Actors served either as chain actors (mostly businesses and producer organizations), chain promoters (e.g. NGOs) or chain service providers (NGOs, businesses and government agencies). Complementarity in the division of labor in value chains was thus a common feature among the partnerships. NGOs were particularly active in the partnerships, being involved in 12 of our 13 cases. Producers participated in 10 of the partnerships, companies in nine and governments only in four, making the government sector the least active.

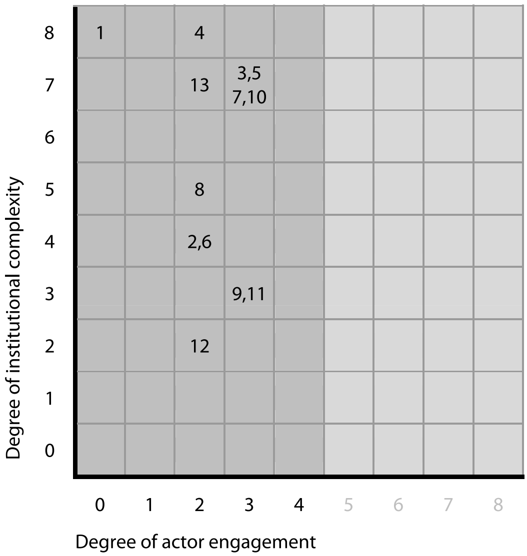
Although earlier literature (e.g. Rein and Stott, 2009) indicates a lack of clear objectives and working methods of partnerships, our case studies give ground for arguing that partnerships are relatively well formalized. Table 4.4 shows that with an average score of 1.54 out of 2, most of our case study partnerships had formalized goals related to the supply of high-quality products to international markets and to the improvement of farmers' livelihoods. This finding can presumably be attributed to the fact that most partnerships in our sample received government or donor funding, which exerts pressure for formalized procedures.

Detailed working plans to carry out partnership activities also existed in most cases, although often these were formulated by different actors and concerned different aspects of the partnership. For instance, the actors that plan farming training were often different from those that plan purchase volumes. Decision-making procedures, however, represent a less clear aspect of the formalization of partnerships. While this ambiguity partly stems from a lack of data available to the authors, the case studies do indicate that decision-making was handled by a limited number of actors.

The average score for the degree of engagement in the partnerships is 2.31 on a scale from 0 to 4. Noteworthy is the limited variation across the partnerships in terms of engagement. Most are close to average, clustered between 2 and 3, which is possibly caused by a sample selection bias or the small number of parameters used to measure degree of engagement.

Figure 4.1 locates the partnerships on the dimensions of institutional complexity and actor engagement (note: the numbers in the matrix represent the case numbers of the partnerships). While the partnerships exhibit considerable variation in terms of the degree of institutional complexity addressed – the ratings run from 2 to 8 –, far less diversity is observed in relation to degree of engagement. Thus, the degree of engagement does not seem to be connected to the tasks which the partnerships were designed to undertake, and we must reject proposition 1. This, in turn, indicates that factors other than the institutional complexity of smallholder inclusion explain how partnerships are constituted.

Figure 4.1 Relation between institutional complexity and degree of engagement



Intensity of actor involvement

The results in table 4.3 on the intensity of actor involvement indicate that, on average, NGOs played the most important role in the partnerships. They were involved in nearly all partnerships and also exhibited the highest intensity of involvement. This may point towards a re-conceptualization of NGO activity in developing countries. NGOs no longer work against large businesses, or implement projects in isolation and largely unnoticed by businesses. Rather, they form partnerships with businesses with the aim of improving smallholders' livelihoods. In this regard, partnerships are a manifestation of the new realism of NGOs in development.

Next to NGOs, businesses were important actors in partnerships. While they were active in fewer partnerships than NGOs (9), they were often the lead firm of the respective chain (7). 'Lead firm involvement' is here defined in a broad sense. If the partnership had made agreements and contracts with a lead firm, such as a retailer or global brand, this qualified it for a high ranking in terms of intensity of involvement. Table 4.4 indicates that partnerships with lead firm involvement display a lower intensity of involvement of other societal sectors. This applies especially to government involvement, which scored 0.14 versus 0.67 out of 2, respectively, for partnerships with and without lead firm involvement. NGO involvement was also less intense when a lead firm was present, scoring 1.14 versus 1.83 when there was no lead firm. Lead firm presence in the partnerships was also accompanied by higher formalization (1.71 versus 1.33).

Producer organizations participated in more partnerships than private companies, but they played a less influential role (table 4.4). This may be explained by the observation of other researchers that producer organizations are mostly involved in the implementation stage and not in the critical planning and design stages. As a result, individual producer organizations are easily replaced. If a partnership initiator approaches a producer organization as a vehicle to reach farmers and to implement on-site activities, it will not be very difficult to find another organization if the first one is uninterested or is found to be a difficult partner. In one of the partnerships studied, a coffee partnership in Peru, this was the case. Competition and disagreement between the five participating producer organizations became so strong that two organizations left the partnership and were immediately replaced by a new organization. Only in two of the cases in our sample were producer organizations critical to the functioning of the whole partnership. In these cases, they planned and coordinated activities on the ground, such as extension services, certification and marketing.

Governments were least active in the partnerships, both in terms of the number of partnerships they were involved in (4) as well as the intensity of that involvement (0.38 out of 2; see table 4.4). This confirms previous findings which point to a relatively marginal and random involvement of governments in partnerships (e.g. Bitzer et al., 2008). In our cases, the involvement of producing country governments did not extend beyond public agencies and did not include any high level ministries. In two of the partnerships governments were in charge of providing extension services at the implementation stage, but not in the planning of partnership activities. Their position as service providers made them expendable participants in the partnerships, weakening the strategic importance of governments.

With regard to proposition 2 it would seem that this would also need to be rejected at an aggregate level. The intensity of actor involvement is rather constant, irrespective of the degree of institutional complexity of the tasks (see figure 4.2). The main reason is that actors appear to be partial substitutes for one another. If one actor is intensely involved, other actors play a less important role. However, we do observe a pattern regarding the kinds of actors involved and the institutional complexity addressed by the partnerships. Table 4.4 shows that in the group of partnerships with high institutional complexity scores, NGOs and private sector actors were more intensely involved than other societal actors. Partnerships with high government involvement, on the other hand, address only low institutional complexity.

Figure 4.2 Relation between institutional complexity and intensity of involvement

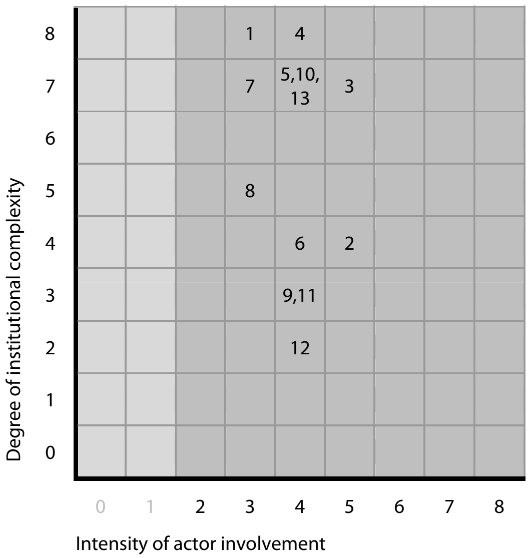
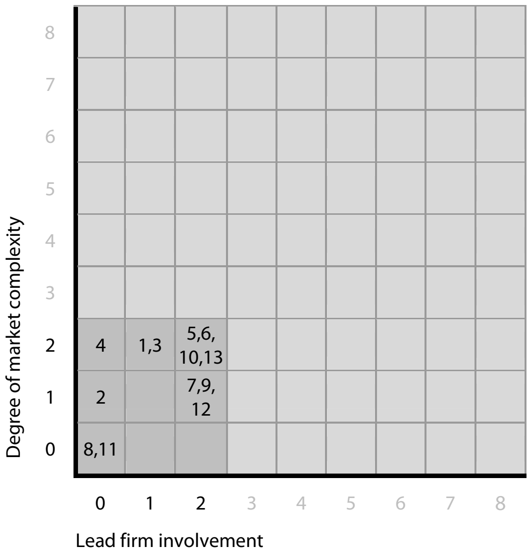


Table 4.4 also shows that partnerships involving a lead firm were more engaged in building market institutions (see also figure 4.3). On the upside, they offered more significant market outlets than partnerships without lead firm involvement. They also reached a substantially higher number of farmers per year (more than 4,000 on average) than partnerships without lead firms (440). We attribute these findings to the substantial resources and correspondingly large purchase volumes of lead firms. On the downside, the presence of a lead firm did not necessarily result in long-term contracts for smallholder farmers. Nonetheless, our findings confirm proposition 3, stating a positive correlation between lead firm involvement and the market complexity addressed by partnerships.

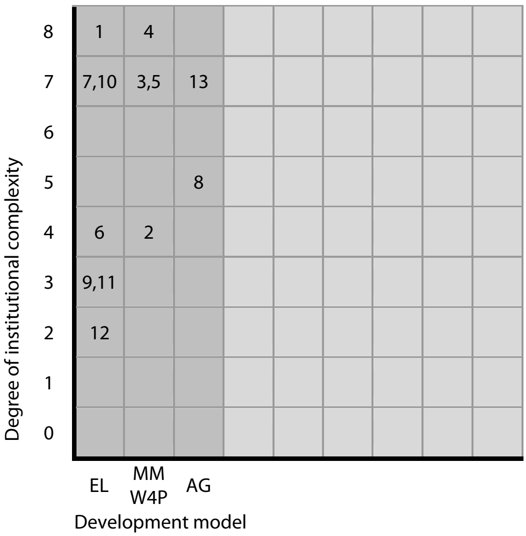
Figure 4.3 Relation between degree of market complexity and lead firm involvement



Development model

The partnerships in our sample pursued the following development approaches: embedded liberalism (EL) (7), Making Markets Work for the Poor (MMW4P) (4), and alternative globalization (AG) (2). Thus, we observe a re-conceptualization of the notion of development. The alternative globalization approach, which calls for greater control of corporate activities under the header 'another world is possible', hardly played a role in our value chain partnerships. Instead, the majority of partnerships can be positioned in the embedded liberalism approach. These also had the greatest annual reach, working on average with more than 3,700 producers. However, as table 4.4 shows, they scored lower on institutional complexity than partnerships following the MMW4P approach (4.85 versus 6.50; see also figure 4.4). Thus, our fourth proposition on the influence of the development approach on institutional complexity is confirmed. In the group of MMW4P partnerships the intensity of involvement of NGOs and producer organizations was higher, whereas in the group of EL partnerships the involvement of lead firms was more pronounced, while NGOs and producer organizations played a more limited role.

Figure 4.4 Relation between institutional complexity and development model



4.7 Conclusion

Partnerships recently emerged as an approach to facilitate smallholder inclusion in value chains. To contribute to theory development, this chapter explored a number of key features of partnerships based on the intersection of input-oriented and output-oriented partnership elements. As regards the output dimension, the chapter elaborated on the institutional challenges that smallholders face in connecting to value chains. These challenges refer to the institutional complexity of arrangements concerning technology, credit, markets and producer organizations. With respect to the input dimension, a review of the literature on partnerships and collaboration pointed to a categorization of partnerships based on the degree of engagement among actors, the intensity of involvement, including the presence of lead firms, and the underlying conceptualization of development. To link the output and input dimensions, we formulated four propositions and applied them to a set of 13 partnerships that dealt with smallholder inclusion.

Our analysis demonstrates that 'institutional complexity' serves as a useful output dimension with which to characterize partnerships. We found considerable differences in the degree to which partnerships address institutions to include smallholders in value chains. Partnerships show especially great variation in their engagement in credit and market institutions. While the institutional factors reveal considerable differences among partnerships, far less variation was observed on the input dimension of partnerships. Regarding formalization and the number of societal sectors involved, most of the partnerships operated in a similar manner. Thus, the case studies yield little support for our first proposition correlating the degree of engagement with the degree of institutional complexity. On the other hand, there is partial support when the intensity of actor involvement is considered. In those partnerships that were most active in institution-building, the private sector and NGOs tended to be more active, while in cases where the lead firm of the value chain was included in the partnership, more attention was given to the development of market institutions. In the same manner, the proposition on the development approach underlying the partnership indicated that partnership-internal factors may be useful for theory-building. Partnerships following the 'Making Markets Work for the Poor' approach address greater institutional complexity for smallholder inclusion than partnerships grounded in embedded liberalism.

The limited support we found for our first two propositions raises two main issues. The first relates to the extent to which the lack of support is attributable to methodological limitations, including the small sample size, the limited number of parameters that could be used as input dimensions of the partnerships, and the double meaning of the notion of institutional complexity. This double meaning refers to the institutional complexity both within specific domains, such as technology, capital, markets and producer organizations, and across these domains. More data on partnerships and a refinement of the methodology could lead to different results. Secondly, the limited differentiation found among partnerships regarding the degree of engagement and the intensity of involvement suggests a need for alternative characteristics by which to typify partnerships and to explain our findings. Perhaps NGOs' need for donor funds has led them to adjust their work to donor priorities, thus causing greater analogy across partnerships – a proposition supported by our findings on the development models underlying partnerships. Another explanation points towards the weak conceptualization of partnerships by their initiators. Partnerships are frequently considered a means to increase input effectiveness by NGOs. However, our analysis suggests that significant aspects of the input dimension, such as degree of engagement and intensity of involvement, are largely decoupled from the task of smallholder inclusion. Thus, partnership initiators have not yet been able or prepared to define partnerships in terms of the tasks they seek to address.

In this chapter, we commenced the search for an integrative theory of partnerships for smallholder inclusion and presented a number of arguments of why it is relevant to connect differences in the outputs of partnerships to input-related aspects. However, instead of giving concrete answers, this chapter can be seen as an agenda-setting contribution in terms of identifying important issues in smallholder inclusion and partnerships. Future research should deepen our understanding of partnerships by looking closer at the issue of complementarities among actors in partnerships. While we did discuss possible motivations of NGOs to initiate partnerships, we still lack a proper discussion of the role of governments in partnerships. Partnerships with government involvement appear to address lower institutional complexity than partnerships without government involvement.

Moreover, governments are comparatively inactive in partnerships. This suggests that partnerships tend serve as instruments to substitute for government action, which may limit the sustainability of the institutional changes brought about by the partnerships, or reduce the legitimacy of the state. Future analysis should examine the extent to which government support matters for the durability of partnerships' results and opportunities to better define partnerships in relation to the complementarities of actors.

Positioning chapter 5

Chapter 5 aims to answer the following research question:

To what extent is the capacity of partnerships to promote sustainable change influenced by external institutional factors?

The previous chapter introduced the concept of institutions and focused on the mismatch between the local practices and institutions of smallholder farmers and the institutions required for participation in value chains. It then analyzed the relationship between the institutional changes required for smallholder inclusion and the types of partnerships that have been set up to achieve this goal. Chapter 5 pursues a related goal. Instead of looking at the institutional challenges of smallholders and their relation with partnership-internal characteristics, the chapter studies institutional factors more generally and their relation with partnerships and their strategies. As institutional theory argues, institutions enable and constrain the behavior of actors, whilst actors can pursue different strategies that mediate the influence of institutions. Applied to the study of partnerships, this interactive perspective on institutions raises two expectations: firstly, that partnerships are to some extent influenced by institutional factors, either positively or negatively, and secondly, that this influence is closely related to the strategies which they pursue. Therefore, this chapter analyzes the extent to which partnerships are influenced by their institutional environment and looks at five key regulatory factors to establish this influence. More specifically, the chapter examines in how far the influence of regulatory factors is related to the strategies pursued by partnerships, and whether this translates into barriers or opportunities for partnerships.

To study the influence of institutional factors, the chapter constructs a conceptual framework combining insights from the literature on partnerships and the literature on institutional theory, and applies it to five partnerships in sub-Saharan Africa which aim to improve the conditions under which cotton is grown. The chapter distinguishes between different farming strategies and sustainability standards which can be used to categorize each partnership and which serve to discern the interplay between partnership strategies and institutional factors. The chapter concludes with a discussion on the relevance of institutional factors for the capacity of partnerships to promote sustainable commodity production in developing countries.

The chapter was written in collaboration with Pieter Glasbergen and has been published in the Journal of Business Ethics. The full reference is:

Bitzer, V. and Glasbergen, P. (2010) 'Partnerships for Sustainable Change in Cotton: An Analysis of African Cases', *Journal of Business Ethics* 93(2), 223-240.

5 Intersectoral partnerships and sustainable cotton production: an institutional analysis of African cases

5.1 Introduction

Since the 1990s, intersectoral partnerships aimed at promoting socially and environmentally responsible forms of production have emerged in the agricultural commodity sectors of developing countries. Their rise can be traced back to the growth of sustainable product markets, the increasing importance of corporate social responsibility (CSR) for large, internationally branded companies, and the exposure, by international media and advocacy organizations, of labor rights violations and environmental degradation in global agricultural supply chains (Blowfield, 2003; Barrientos and Smith, 2007).[13] From a development perspective, partnerships are often portrayed as a new institutional arrangement that facilitates the capacity building of farmers, provides them with market access, conserves environmental resources, and raises rural incomes (Utting, 2002; Kolk et al., 2008). From a business perspective, participation in partnerships may demonstrate a company's commitment to its CSR policies, facilitate the development of new markets, and preempt governmental attempts at regulating their social and environmental behavior in developing country contexts (Giovannucci and Ponte, 2005; Reed and Reed, 2009). In fact, an international policy consensus on the desirability of promoting intersectoral partnerships in the developing world seems to be emerging even if their intended and unintended consequences are still poorly documented (Lund-Thomsen, 2009).

So far partnerships mostly remain niche market phenomena (Giovannucci and Ponte, 2005; Bitzer et al., 2008; Bassett, 2010). While one of the most obvious constraints is the limited market demand for sustainable products, market forces provide only a limited explanation for the development of partnerships (cf. Meidinger, 2003). Newell and Frynas (2007) argue that the successful implementation of CSR models, including partnerships, is based on the assumption of a strong state that is capable of providing an enabling institutional environment for partnerships to evolve in; yet, these conditions are largely absent in most developing countries. As the processes through which partnerships develop are directly related to the context in which they are situated, the challenge may therefore be to explore the capacity of partnerships in specific settings (Lund-Thomsen, 2009; Rein and Stott, 2009).

[13] Most research concentrates on partnerships that seek to regulate business behavior through multi-stakeholder initiatives (O'Rourke, 2006) and develop international sustainability standards in forestry (Cashore et al., 2004; Pattberg, 2005b) or agricultural commodities (Hughes, 2001; Raynolds et al., 2007).

However, little has so far been written about the influence of institutional factors on partnerships in the production of agricultural commodities in developing countries. This chapter makes a contribution toward filling this gap in the literature with reference to partnerships that are aimed at introducing sustainable forms of cotton production in sub-Saharan Africa (SSA). On the one hand, conventional cotton production is characterized by the excessive use of agrochemicals, poor working conditions, and widespread poverty amongst producers in developing countries. On the other hand, intersectoral partnerships may improve the economic, social, and environmental impacts of cotton production through the use of different farming strategies and compliance with various sustainability standards. In this chapter, we are particularly interested in identifying (i) the institutional factors that influence the capacity of partnerships to introduce sustainable forms of cotton production, and (ii) how these factors facilitate and/or constrain the implementation of partnerships that use different farming strategies and sustainability standards.

In order to answer these questions, we examine how institutional factors arising out of the state's regulatory policies have influenced the development of five cotton partnerships in SSA. First, we elaborate our conceptual framework of the interaction between institutional factors, the partnerships themselves, and their use of different farming strategies and sustainability standards. This is followed by a section providing an overview of our research strategy, case selection, and data generation methods. We then move onto introducing the partnerships themselves before we engage in a more in-depth analysis of how institutional factors facilitate or hinder the implementation of partnerships that employ a variety of farming strategies and sustainability standards. Finally, we conclude with a broader discussion of the significance of these institutional factors for the implementation of partnerships in developing countries.

5.2 Conceptual framework

According to van Huijstee et al. (2007), partnerships are commonly analyzed from two different perspectives. The actor approach (or behavioral perspective) focuses on the functioning of partnerships that are seen as strategic instruments for the goal attainment of individual actors, whilst the institutional approach views partnerships as new institutional arrangements, and concentrates on the conditions that provide the opportunities for partnerships to function. This entails that partnerships are studied in the light of their contribution to sustainable development, which includes their potential for innovative and creative mechanisms that motivate improvements in the production and delivery of products and services (Bäckstrand, 2006; O'Rourke, 2006; Glasbergen et al., 2007). In order to adequately assess the capacity of partnerships to achieve their intended goals and promote sustainable change, several authors highlight the need to take into account the context-related institutional and political environment in which partnerships are embedded

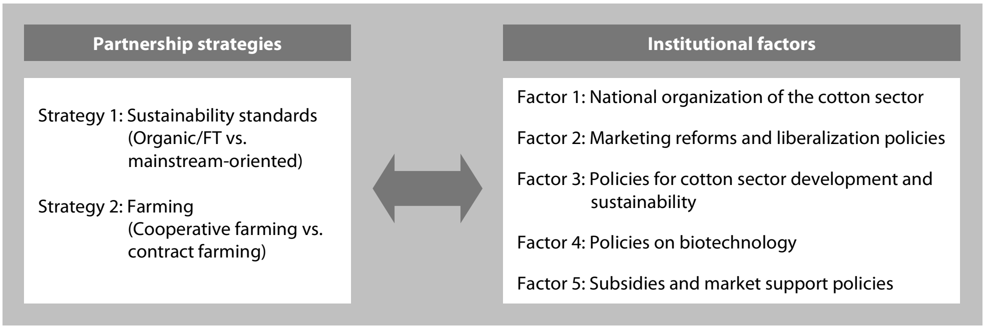
(Rein and Stott, 2009; Utting and Zammit, 2009). Such institutional issues can be much broader in scope than the internal dynamics of the partnerships themselves (cf. Bartley, 2007). Campbell (2006), for instance, argued that the adoption of CSR practices does not occur automatically in response to functional imperatives of companies, but depends to a large extent on the external institutional environment.

As institutional theory recognizes, any (technological) change pursued by actors and organizations is influenced by institutional structures that play key roles in determining how quickly and the extent to which these changes are accepted (Nelson, 2002). Here, we understand institutions as "systems of established and prevalent social rules that structure social interactions" (Hodgson, 2006: 2). Consisting of regulative, normative, and cognitive structures (Scott, 1995), institutions are constitutive of actors' motivations, and thus both constrain and enable behavior (Chang, 2002; Hodgson, 2003). Although most of the early literature pursued a deterministic view of institutions, stating that actors have no option but to conform to their institutional environment, scholars have meanwhile come to accept the possibility of choice and use of agency among actors (Scott, 2008). As such, the influence of the institutional environment on actors is closely related to the strategies that these actors pursue (Oliver, 1991). In line with this interactive perspective on institutions, we are particularly interested in the outcomes of the dynamic interplay between institutional factors, on the one hand, and the strategies adopted by partnerships, on the other hand. Strategies are thus situated at the interface between actors and institutions, and are interpreted as "a set of objectives, policies, and plans that, taken together, define the scope of the enterprise" (Rumelt, 1980: 360). In the same manner, the strategies of partnerships act as the link between an actor and an institutional perspective on partnerships.

Here we study the interplay between partnership strategies and institutional factors, where we distinguish between partnerships that use different farming strategies and sustainability standards (see Figure 5.1). On the one hand, partnerships may either use a strategy aimed at exploring the niche markets for organic and Fairtrade garments, or at reaching the mass market by complying with mainstream-oriented sustainability standards. On the other hand, partnerships may either pursue a strategy of cooperative farming, based on producer organizations and producer empowerment, or they can employ contract farming, based on outgrower schemes and contractual relations between producers and agri-businesses.

For our empirical analysis, we concentrate on one of the most salient institutional factors, i.e., the state's regulatory policies which determine the conditions under which partnerships have to operate. Based on a literature review and expert interviews (see section 5.3.2), we identify the five most important regulatory factors regarding cotton production.

Figure 5.1 Research model



The first factor concerns the national organization of cotton production and marketing. While nowadays African cotton sectors vary considerably in terms of government involvement and regulation, state-owned companies and marketing boards controlled many tasks such as input distribution and output marketing in the post-independence period. This partially changed with the liberalization and privatization policies since the end of the 1980s (factor 2). Despite their (somewhat) altered role, producer country governments still determine the regulatory conditions for cotton production and therefore the direction in which cotton sectors develop, as well as the sustainability issues to be addressed in this sector (factor 3) (Ferrigno et al., 2005; Tschirley et al., 2008). The regulatory framework of producer countries also establishes the rules governing the use of biotechnology (Bt), i.e., genetically modified (GM) cotton, which is one of the major trends in global cotton production (factor 4) (Baffes, 2005). The final factor is the subsidies provided by rich producer countries to support their cotton sectors. These have significant trade distorting and price depressing effects, much to the disadvantage of developing countries (Gillson et al., 2004). In our empirical analysis, we will examine the extent to which these institutional factors either support or constrain the strategies pursued by the partnerships, referring to (i) cooperative or contract farming and (ii) the adoption of organic/Fairtrade or mainstream sustainability standards.

5.3 Research strategy

5.3.1 Case selection

We define partnerships rather broadly to indicate that a set of actors from different societal domains – state, market and/or civil society – cooperate voluntarily towards a sustainability goal. Not all actors engage in a partnership to the same extent, but all are in some way connected to the partnership initiator(s) in order to contribute to the realization of the partnerships’ objectives.

This chapter looks at the cotton sector to examine the influence of institutional factors on partnerships. While cotton is one of the major agricultural commodities of our times and displays various sustainability challenges, partnerships are a relatively recent phenomenon in this sector and consequentially, only few studies address partnerships in cotton. We have chosen to study partnerships for sustainable cotton production in sub-Saharan Africa on the basis of two considerations. First, sub-Saharan Africa presents a kind of natural geographical focus of this chapter due to the number of partnerships located here. Out of 19 ongoing partnerships in cotton producing countries worldwide that were located by means of an internet search, the majority of partnerships (12) work in Africa, which facilitates a comparison across similar institutional contexts/within a limited geographical context. Second, while African countries are relatively small producers on a global scale, cotton often plays a crucial role in their economic development. Cotton is one of the most important export crops in sub-Saharan Africa (SSA), ranking second in value only to cocoa, and constitutes a major source of foreign exchange earnings (Tschirley et al., 2009). More than 2 million rural households in SSA depend on cotton as their main source of income and tend to belong to the poorest segment of the population. The crop therefore plays an important role in agricultural development and poverty reduction. However, throughout sub-Saharan Africa, the production of cotton is hampered by depressed world market prices, low productivity, decreasing competitiveness, and the exploitation of environmental and human resources. These challenges highlight the need for sustainable cotton production and the importance of studying the influence of institutional factors on partnerships as initiatives that promote sustainable cotton.

Out of the 12 partnerships active in Africa, five partnerships were chosen as our case studies based on the following considerations. First, we only selected cases where the five regulatory factors of our conceptual framework could be directly observed. Second, we only chose partnerships that have ongoing activities on the ground, excluding partnerships that are already concluded or that are not yet operational, such as the Better Cotton Initiative. Finally, we sought to include cases that pursue different farming strategies and sustainability standards (see Table 5.1).

Table 5.1 Case study selection

Strategy 1 - Standard		Combined with	**Strategy 2 - Farming**	
Organic/Fairtrade standards:	4 case studies (4 countries)	3 →	**Cooperative farming:**	3 case studies (3 countries)
		1 ↘		
Mainstream-oriented sustainability standard:	1 case study (4 countries)	1 →	**Contract farming:**	2 countries (5 countries)
Total	5 case studies (8 countries)			

Thus, our case selection ensures sufficient diversity to examine which farming and sustainability standard strategies open up more opportunities for partnerships to deal with the institutional factors. However, it needs to be mentioned that the strategies are not independent of each other, and occur largely as a set combination. In most cases, organic/Fairtrade standards go hand in hand with cooperative farming (only one partnership using these standards applies contract farming), whereas the partnership using the mainstream-oriented standard pursues contract farming.

Table 5.2 gives an overview of the most important characteristics of the partnerships, including the actors involved, time and location, and provides a brief summary of their activities.

Table 5.2 Case studies and their properties

Cases	Cotton made in Africa (CmiA)	Helvetas et al Mali	Helvetas et al Mali	Helvetas & GTZ Benin	Lango Organic Cotton Project (LOCP)
Strategy 1 - Standard	Cotton made in Africa-standard	Organic & Fairtrade	Organic & Fairtrade	Organic (Fairtrade soon)	Organic
Strategy 2 - Farming	Contract farming	Cooperative farming	Cooperative farming	Cooperative farming	From cooperative farming (1994-1997) to contract farming (1998-present)
Civil society	Aid by Trade Foundation*, WWF (D), Deutsche Welthungerhilfe, NABU	Helvetas* ($), ICCO ($)	Helvetas* ($), ICCO ($), Centre Ecologique Albert Schweitzer	Helvetas* ($), ICCO ($)	Hivos ($) (until 2008), Cordaid ($) (until 2005), ICCO ($) (2000-2005)
Business	(all $) *Cotton companies/ traders:* Dunavant Zambia, Dunavant Mozambique, Fasocoton, ICA Talon, soon: Ivoire Coton, Plexus/Great Lakes; *Retailers:* OTTO Group*, Tom Tailor, Tchibo, Bierbaum Group, Peek & Cloppenburg, etc.	*Cotton company:* CMDT (state-owned) *Trader:* Paul Reinhart AG *Retailers:* Migros, Switcher, Marks&Spencer	*Cotton companies:* Fasocoton, SOFITEX, SOCOMA *Trader:* Paul Reinhart AG, *Retailer:* Hess Natur, Migros, Switcher	*Cotton company:* ICA Talon ($) *Trader:* Paul Reinhart AG	*Cotton ginnery:* Lango Cooperative Union (1994-2006) *Cotton trader:* Bo Weevil ($) (1994-1997; 1998-present);
Producers	(Farmers only as beneficiaries, not as members)	Village producer organizations for organic cotton, Mouvement biologique du Mali (MOBIOM)	Village producer organizations for organic cotton, Union National des Producteurs de Coton (UNPCB)	Village producer organizations for organic cotton/AVIGREF; Comité Coton Alafia/U-AVIGREF	Primary Societies, Lango Organic Farming Promotion (1998-2008)
Public agencies	Deutsche Entwicklungs-gesellschaft (DEG), GTZ, BMZ* ($)	SECO ($), LED ($), SDC ($)	SECO ($), Bureau de la Coopération Suisse au Burkina Faso ($)	GTZ* ($)	SIDA* ($) (1994-1997)
Research partners		Institut d'Economie Rural (IER)	Institut de l'Environnement et de la Recherche Agricole (INERA)	Centre de Competence Filieres Agricoles Biologiques et Equitables, INRAB, IITA	
Time	2004/05-2010 (as a PPP)	2002-2004 (phase I); 2005-2008 (phase II); 2009-2011 (phase III)	2004-2007 (phase I); 2008-2011 (phase II)	2006 (start); 2008-2012 (assembly & consolidation), 2013-2015 (guidance & withdrawal)	1994-1997/98 (SIDA project), 1998-2008 (Bo Weevil partnership); 2008-present (Bo Weevil contract farming)
Location	Benin, Burkina Faso, Zambia, Mozambique (Cote d'Ivoire, Malawi soon)	Mail	Burkino Faso	Benin	Uganda
Summary	CmiA was launched in 2004 by mail-order retailer OTTO Group together with the German ministry for Development to target the mass market and increase demand for African cotton. Several retailers, NGOs, and cotton companies from producing countries could be won as members of the partnership, in addition to a large demand alliance of buyers.	In the context of the spread of organic cotton to West Africa, the Swiss NGO Helvetas started its first partnership to promote organic and Fairtrade cotton in 2002 in Mali, after which it replicated and transferred the partnership set-up to Burkina Faso (2004) and Benin (2006). The aim is to support environmentally-friendly and socially acceptable cotton production, for which an alternating variety of actors cooperate to form a partnership between cotton producers, producers' organizations, traders and their customers. In Benin, the partnership forms part of GTZ's running project in the Pendjari Biosphere Reserve and aims to promote sustainable natural resource management in the inhabited part of the reserve.			The LOCP was initiated by Swedish development agency SIDA in 1994 as one of the first attempts to establish organic cotton production in Africa. After Swedish funding ended, a re-start was made in 1998 under the lead of cotton trader Bo Weevil, together with a local NGO (LOFP) and a cooperative union (LCU). Since 2008, LOCP is run exclusively by Bo Weevil.

$ funding   * initiator

5.3.2 Methods

This chapter is based on an extensive review of available academic literature and policy-oriented documents as well as 12 semi-structured interviews. We first carried out a literature review on the key themes of partnerships, institutions and the cotton sector in Africa to gather background information and identify the most important regulatory factors that were likely to affect the implementation of partnerships for sustainable cotton production in sub-Saharan Africa. Two expert interviews served the purpose of supporting our background understanding of the sustainability aspects of cotton production while confirming the relevance of the regulatory factors identified through the literature review.

We then conducted a comprehensive review of other secondary sources, including partnership documents, reports, websites, press releases, management presentations, and newspaper articles. By means of a methodological compilation of the secondary information, we were able to make inferences in terms of the influence of regulatory factors on the case studies. These inferences were not taken as conclusions, but rather as questions and further explored through ten semi-structured face-to-face or phone interviews with key actors (program or managing directors) of each partnership, coming from NGOs (5), development agencies (3), and businesses (2) (see appendix for a detailed overview). All interviews were recorded and later transcribed. Transcripts were viewed repeatedly and analyzed using coding techniques guided by the main research objective of establishing the interplay between partnerships and institutional factors. Given the sensitivity of the information collected, all material used is presented anonymously throughout the chapter.

The qualitative research methods applied allowed us to get an in-depth understanding of the partnerships and their respective contexts, and thus arrive at a careful interpretation of the interplay between institutional factors and partnerships, as well as the role of partnership strategies therein. However, we also recognize that our methodological strategy is subject to a number of limitations, including the fact that we were not able to conduct any interviews with local stakeholders at production level. This would have provided a more bottom-up perspective on the implementation of partnerships and the influence of institutional factors on partnership strategies. Nonetheless, we are confident that our interviews with program or managing directors have enabled us to obtain a bird's eye view of the challenges arising from the influence of various institutional factors on the functioning of the partnerships studied.

5.4 Partnerships and their strategies

Intersectoral partnerships for sustainable cotton production first emerged during the mid-1990s, mostly in the context of organic cotton projects. However, in the early 2000s, these partnerships began to proliferate at a time when international attention was drawn to the sector as a prime example of how unfair international trading practices by the North and environmental degradation and poverty in the South.

Apart from development NGOs or aid agencies that usually initiate such partnerships, producer organizations or cotton companies/traders are the often key actors, depending on whether partnerships pursue a strategy based on cooperative farming (producer organizations) or contract farming (cotton companies). In order to promote sustainable production methods, partnerships provide technical assistance to small-scale producers, introduce new cultivation techniques, and establish stable linkages to global buyers, mostly Northern-based branded retailers. The exact nature of technical assistance to producers depends on whether partnerships employ organic/Fairtrade standards or follow mainstream-oriented sustainability standards.

5.4.1 Cooperative farming versus contract farming

Both cooperative farming and contract farming are meant to lower transaction costs and provide farmers with inputs and services. In cooperative farming, producers enhance their capacity for undertaking collective action by being organized in cooperatives or other producer associations that distribute any surplus value and other benefits generated through sustainable cotton production to their members. The latter in turn own the cooperatives/producer associations. An important part of the cooperative farming model is that middlemen should be excluded from the supply chain. While conflicts of interest may appear between the management and members of a cooperative/producer association (Brüntrup, 2007), this farming strategy is preferred as an alternative to the situation in which large cotton companies almost exclusively dictate to individual farmer the terms under which cotton production is to take place. In practice, however, examples of well-run cooperatives in Africa are rare (respondent 7), and many producer organizations struggle with management problems. In such instances, contract farming is thought to provide an alternative, although not completely opposing, way of linking smallholders to markets. Contract farming refers to contractual relationships between farmers and agri-businesses for the production and supply of products that do not depend on the existence of producer organizations. The benefits for smallholders include access to credit inputs and technical assistance provided by the contractor, which might otherwise be hard to obtain.

The three Helvetas partnerships in Mali, Burkina Faso, and Benin are examples of cooperative farming. In order to separate organic from conventional cotton, the partnerships created new village associations for organic cotton producers that now exist in parallel with conventional associations to provide training activities and other production-related support. The need to create new structures also implied that these partnerships initially had a very limited number of farmers enrolled as members. Once the new structures were in place, and the partnerships became more widely known amongst farmers, participation rates increased significantly – in Mali from 174 farmers (2002) to 6400 farmers (2008), and in Burkina Faso from 72 farmers (2004) to 8300 farmers (2008). Apart from creating local groups, the partnerships also sought to integrate national producer organizations into the production and promotion of organic cotton to establish local ownership of organic farming schemes. This was most pronounced in Burkina Faso, where the national producer organization Union Nationale des Producteurs de Coton du Burkina (UNPCB) is responsible for the implementation of the organic cotton program, including extension services, certification issues, and marketing (Van der Linden et al., 2009).

The Lango Organic Cotton Project (LOCP) was initially established as a cooperative farming scheme that created new organic producer societies at the local level. The Lango Cooperative Union (LCU) was responsible for ginning and marketing the cotton, while the farmer organization/NGO Lango Organic Farming Promotion (LOFP) provided extension services from 1998 onward. Hence, both organizations played critical roles in the promotion of organic farming, but were accused by other partnership members of being mismanaged, subject to elite capture, organizationally unstable, and generating too high costs (respondent 10). This ultimately led to their exclusion from LOCP which is now run independently by the organic cotton trader Bo Weevil as a contract farming scheme.

As an even more classical example of contract farming, Cotton made in Africa (CmiA) cooperates with conventional cotton companies as the hubs for the production of 'cotton made in Africa'. These companies are largely responsible for supplying farmers with inputs and extension services. They are also the management unit accountable for verification activities to ensure compliance with the CmiA standard, thereby placing ownership in the hands of the cotton companies and not the farmers. By cooperating with conventional cotton companies, which each work with thousands of farmers, CmiA immediately reaches a significantly higher number of farmers than the organic partnerships. Out of 140,000 farmers contractually affiliated with one of the participating cotton companies, two thirds were trained by CmiA during the three-year pilot phase in Benin, Burkina Faso, Zambia, and Mozambique from 2006-2009.

5.4.2 Organic and Fairtrade standards versus the mainstream CmiA-standard

Partnerships work with process standards to introduce a kind of quality differentiation that exists next to international quality requirements and national quality reputations. By re-embedding production processes in local contexts, quality standards of commodities can be re-defined to capture economic, environmental and social issues related to cotton production, which are enforced through inspection, verification or certification (Murdoch et al., 2000). These standards can facilitate market access in the North and establish a product that is distinguishable from conventional cotton on the world market.

Key principles of organic farming include the renunciation of synthetic fertilizers, pesticides and genetically modified (GM) seeds, as well as the practice of crop rotation. The aim is to prevent negative environmental effects, improve soil fertility, and protect the health of farmers. By using organic inputs farmers do not need to purchase agrochemicals on credit and reduce their financial risk. Fairtrade additionally has a comprehensive set of social criteria and requires farmers to be organized into democratically-run groups. Certification costs are either paid for by donors (all Helvetas partnerships), with the objective of producer organizations being able to pay for the costs after a transition period of up to eight years, or by the trader (LOCP), who also owns the certificate. The latter implies that although farmers are allowed to sell their produce to any buyer, they can only sell it as organic cotton to the holder of the certificate. Traceability of certified cotton is ensured by fully integrated supply chains in which only accredited companies are able to participate.

Despite relatively low yields, organic cotton has turned out to be a profitable option for producers, mainly due to lower production costs and the price premiums associated with certification. Farmers belonging to the LOCP in Uganda received a price for organic cotton that was on average 21% higher than conventional cotton from 1994/95 to 2007/08 (respondent 10). The Helvetas partnerships in Mali, Burkina Faso and Benin use the Fairtrade minimum price, which, together with premiums for organic cotton, achieved prices that were 84% higher than conventional cotton in 2008/09 (Van der Linden et al., 2009). Taking into account the lower yields, the result is a gross margin that is 37% better than for conventional cotton (Pineau, 2009).

CmiA works with verification based on a traffic-light system of social, environmental and economic criteria against which cotton companies have to show continuous improvement. At the core of the CmiA standard are a number of exclusion criteria, including worst forms of child labor, forced labor, cutting of primary forest, application of hazardous pesticides and use of GM cotton. Agrochemicals are allowed, making this standard less stringent than organic farming, although inputs are to be reduced over time. Verification costs are covered through a license fee charged by CmiA of participating retailers, so that no additional fees occur in producing countries. To avoid the high costs of integrated supply chains, CmiA has established a network of identified spinning mills, which serve as merger points between the bottom-up traceability ensured by cotton companies (from production to export) and the top-down traceability provided by retailers (from retailing to manufacturing). However, full traceability from farmer to customer is not possible (respondent 6).

The effects of CmiA are less well documented, but the partnership plans to conduct a comprehensive impact assessment in the near future. First numbers indicate that due to the adoption of better agricultural practices, yields of participating farmers increased by 70%, translating into significant net income effects, although no extra premiums are paid (Sekamatte, 2007). Moreover, the partnership aims to pay out a dividend to farmers that have participated in CmiA for three years in a row in the range of 5-10% per kg from 2012 onwards, depending on retailing demand (respondent 7).

5.5 Institutional factors

The previous section has illustrated how partnerships reach farmers, what issues they work on by means of employing process standards, and what some of the initial outcomes of these partnerships seem to be. Partnerships appear to raise farmers' incomes while protecting environmental resources albeit it with varying degrees of success. In order to exploit the full potential of partnerships, the institutional environment has to be conducive to their implementation. However, it has been noted that other agricultural sustainability initiatives in Africa exist in spite of and not because of the political and institutional framework in which they are embedded (UNEP and UNCTAD, 2008). We therefore analyze the influence of institutional factors on partnerships, and study how far the regulatory barriers and opportunities are linked to their use of different farming strategies and sustainability standards: contract farming versus cooperative farming, and organic/Fairtrade versus the mainstream CmiA standard. Each of the strategies faces distinct obstacles, but also offers specific opportunities, which can be summarized as follows (see Table 5.3).

Table 5.3 The influence of institutional factors on partnerships' strategies

	Contract farming	CmiA-Standard	Cooperative farming	Organic/FT
National organization of the cotton sector	Utilization of existing structures; fast access to great number of farmers Side-selling in some countries	Dependent on conventional structures for inputs Easy to implement within current structures	Creation of new parallel structures (in combination with organic/FT cotton); slow access to farmers; weak producer organizationts in some countries	Less dependence on conventional structures for inpunts Not supported by current structures Exemption from rules easier to achieve
Marketing reforms & liberalization policies	Greater choice of market-oriented companies	Often poor governmental services to procedures Opportunity to fill gap left by states	Greater choice of market-oriented companies; Strengthening of producer organizations	Often poor governmental services to procedures Opportunity to fill gap left by states & invest in organic cotton
Policies for cotton sector development & sustainability	Fits cotton policies and strong role of cotton companies	Fits discourse and cotton policies	Fits cotton policies to strengthen producer organizations	Not supported by cotton policies
Policies on biotechnology		Does not allow GMOs (however, moratorium only until 2011)		Do not allow GMOs
Subsidies & market support policies	Conventional cotton companies (contractors) hit by price pressures	Remains within contraints of conventional market	Less reliance on conventional cotton companies (as in combination with organic/FT cotton)	Traded outside of conventional market; premiums/minimum prices

Opportunity Constraint No influence

5.5.1 National organization of the cotton sector

The organization of the cotton sector defines the entry point to cotton production for partnerships, as farmers have to be supplied with inputs and training, seed cotton has to be ginned, and cotton lint has to be marketed. This is notably easier for partnerships working within the existing system of vertical integration via contract farming than for partnerships that pursue cooperative farming.

Partnerships using contract farming, such as CmiA, build on existing structures of private sector companies to reach farmers. This has the advantage of creating "efficiency gains in comparison with available intervention options" (Peltzer, 2007: 4), as no parallel structures, such as new producer groups, have to be created, and existing farmer networks of cotton companies as well as established channels for input supply may be utilized. Moreover, partnerships avoid having to collaborate with many actors, including farmer organizations, public agencies, and input distributors. The difficulty of integrating local stakeholders was one of the reasons why the LOCP in Uganda converted from cooperative to contract farming. The initial strategy of involving a cooperative union (LCU) for ginning and a local NGO/producer organization (LOFP) for extension services ultimately turned out to be inefficient due to high costs, financial instability and mismanagement of the organizations. "The idea [to work with local organizations] is really nice but […] there are always people involved at the management level that are mostly interested in their own affairs and that hamper a healthy development" (respondent 9). To remove the reliance on structures at producer level, the two producers' organizations were eventually excluded from the LOCP.

For partnerships the greatest risk related to contract farming lies in non-compliance with contracts, primarily the inability of cotton companies to recover input credit from farmers that participate in the partnership (cf. Peltzer, 2007). Especially in market-based sectors, farmers can be tempted to sell their harvest to traders who have not invested in pre-financed inputs and are able to purchase cotton without discounts. As "contract enforcement is nearly impossible" (respondent 7), side-selling presents a tremendous threat to long-term, stable relations between farmers and market actors, and undermines the provision of inputs and credit. In order to address side-selling practices, CmiA has created an incentive structure to enhance farmers' loyalty. Loyalty factors include the provision of services, quick payment after harvest and, most importantly, prices. Through the payment of dividends farmers' loyalty can potentially be increased in the medium term, but this has not yet been achieved, mainly due to generally low cotton prices over the last few years (respondents 7; 12).

Organic cotton is less dependent on conventional channels for input supply, as it is grown without the use of synthetic fertilizers. Thus, involving cotton companies is less critical and producer organizations can play a greater role. At village level, parallel structures have to be created to separate organic cotton from conventional cotton at the earliest possible stage. For post-harvest activities established (conventional) structures for ginning and marketing have to be utilized. This can be more or less cumbersome, depending on the structure of the cotton sector. In West Africa, all cotton output has to be allocated to specified cotton companies based on geographical monopolies or quota systems. This implies that village producer organizations lose ownership of cotton after harvest, and are not included in further value adding. In Burkina Faso, however, Helvetas managed to be granted exemption for organic cotton, so that the national producer organization UNPCB retains ownership during processing and can export directly (respondent 3). Thus, Helvetas has achieved a shift in roles, whereby the producer organization is strengthened as an industry actor and the cotton company is downgraded to being a service provider. "This also significantly reduces costs, as the cotton company does not have to pass on the cost of risk financing to the price of organic cotton, thereby enhancing the product's competitiveness" (respondent 3). The exemption from traditional vertical integration and the corresponding shift in roles were easier to achieve because organic cotton is considered very marginal by the respective stakeholders. In Benin, Helvetas is trying to access political channels in order to free organic cotton from restricting regulations that cause great delays in producer payment. Again, should this be successful, it can be attributed to the fact that "nobody really cares about organic cotton, so it is feasible to be granted exemptions" (respondent 4). In Mali, the situation is most complicated, as the partnership is dependent on the cooperation of the state-owned monopolist Compagnie Malienne du Développement des Textiles (CMDT), whose reaction to the introduction of organic cotton was very cautious, and who still has not invested strongly in this new sub-sector (Ruigrok and Zajitschek, 2007). The monopoly of a relatively inefficient actor makes it difficult to progress with the promotion of organic cotton and be competitive with other countries (respondent 3). Therefore, Helvetas supports the newly founded national organization for organic producers, Mobiom, to create a strong actor who is potentially able to process and market organic cotton if the reform process breaks the monopoly of CMDT. At this stage, however, Mobiom is still very weak, lacks negotiation power, and relies on external donors for funding (respondent 8).

5.5.2 Marketing reforms and liberalization policies

The liberalization and privatization reform efforts in cotton producer countries have created an increasingly open and flexible, yet challenging environment for partnerships to work in. On the one hand, there is a greater choice of ginning and marketing companies, whilst producer organizations, at least in West Africa, have been strengthened, which makes it easier to find partners in producing countries that support the objectives of the partnership. On the other hand, reform policies have often decreased governmental support services to farmers, such as extension, input, and credit services – a gap that has to be filled by partnerships.

Particularly CmiA has benefitted from the liberalized environment, since it is able to work in various countries with market-oriented cotton companies that are willing to serve as linchpins for sustainable cotton production (respondent 5). "Corporate social responsibility by cotton companies is a decisive criterion", which is most pronounced in newly emerged companies with shares held by international corporations, whereas state-owned companies generally do not fulfill these requirements (respondent 2). The importance of partner selection also determines to a large extent in which countries CmiA is active. Several West and Central African countries are currently being excluded as there are no adequate private cotton companies to work with and the national price setting mechanisms result in producer prices that are well above current market prices (respondents 2; 5). In Mali, for instance, "the whole sector is politicized, which makes it difficult to do anything" (respondent 2).

For cooperative-based partnerships in West Africa the enhanced position of producer organizations is even more important than the reduced dependency on state-owned companies. For example, the national producer organization of Burkina Faso (UNPCB) is a critical actor in the Helvetas partnership to promote organic cotton and establish local ownership due to its strong position in the cotton sector and its capacity to provide agricultural services to producers (Van der Linden et al., 2009). However, in Eastern and Southern Africa cotton producer organizations are still relatively weak, which shows in the case of the LOCP and its frustrations with local organizations.

On the downside, the reform efforts led to a sharp decline or even collapse of extension services to producers in several countries, while the link between credit and input delivery largely disappeared, resulting in rising input costs and increasing credit default rates (Larsen, 2003; Poulton et al., 2004; Ferrigno et al., 2005). These factors combined create difficult conditions for partnerships to work in, but they simultaneously open a space for partnerships that offer an alternative compared to conventional cotton, provide services to producers and thereby support the shift from state-led to market-based development. In settings characterized by high input costs and lacking agricultural services, producers are increasingly interested in farming techniques propagated by partnerships, which go hand in hand with technical assistance and are either aimed at reducing conventional inputs (CmiA-standard) or practically eliminating them (organic standard). "There are farmers participating in the [organic] partnership who had stopped growing cotton a few years ago, but when we came in, they were willing to try new techniques because no input credit was needed" (respondent 4). Moreover, the decreased government interference in the cotton sector, especially in Eastern and Southern Africa, created more space for new institutional arrangements that diverted from conventional cotton, thereby enhancing the chances of organic farming to find a place in the production processes (Dowd, 2008).

5.5.3 Policies for cotton sector development and sustainability

Cotton sector policies in sub-Saharan Africa present significant barriers for partnerships employing organic and Fairtrade standards. Organic cotton is neither supported by current structures of cotton production, based on heavy utilization of agrochemicals, nor given a role in future cotton production, which aims at productivity increases, disregarding environmental and health concerns. Boosting international competitiveness in order to reap the benefits of cotton production is one of the main goals within African cotton sectors, which is to be achieved by means of increasing the productivity of producers and expanding into new areas (Chaudhry, 2006). This concurs with the mainstream debate on cotton in many African countries, where environmental sustainability concerns are often not discussed. The government of Mali, for example, has been very hesitant to recognize ecological problems linked to cotton cultivation (Moseley, 2008). A similar stance is taken by the government of Burkina Faso which insists that environmental problems still need to be properly understood from a scientific point of view, and cautions against the criminalization of cotton cultivation because of ecological concerns (Government of Burkina Faso, 2007). Reflecting recent trends in the global cotton industry, Bt cotton is increasingly portrayed as a pathway towards sustainability in Africa (cf. Baffes, 2009), whereas organic cotton cultivation is viewed as a niche market or a form of diversification (Government of Burkina Faso, 2007). Although higher prices obtained for organic cotton are recognized as beneficial for producers, overall profitability is questioned because of lower yields compared to conventional production (respondent 12). Given that "the philosophy on agriculture is based on fertilizers and pesticides" (respondent 4), calls from African stakeholders for the realization of organic cotton's potential remain rare.

The negative influence of cotton sector policies has been most damaging for the LOCP in Uganda, where the government blamed organic cotton for low national production levels and rising pest incidence (CDO, 2008). In response, the government started a high-profile campaign against organic cotton, and designated particular geographic areas to organic cotton production, which significantly increased competition between organic cotton buyers. Contract default rates by farmers rose, causing Bo Weevil of LOCP to intervene at political level to ensure that Bo Weevil is the only buyer of organic cotton allowed in their area (respondent 9). Still, Bo Weevil had to move out of two areas where organic cotton was grown because of a recent DDT spraying campaign by the government. 8,000 farmers had to be de-certified, as Bo Weevil could no longer guarantee a DDT-free product. "There is this continuous struggle with politics, with tricks and games which are played in this industry and which stop most people from investing in this industry" (respondent 9). This illustrates that support from governments to organic cotton partnerships is limited under the current paradigm of high-input cotton production, confirming the conclusion of a recent UNEP study, stating that the lack of enabling policies has been a major obstacle to the spread of organic farming in Africa (UNEP and UNCTAD, 2008).

CmiA has adopted a different approach to sustainable cotton production that is more in line with current governmental cotton development policies than has been the case with organic cotton schemes. CmiA considers African cotton more sustainable than cotton from other parts of the world, as it is grown under rain-fed conditions, not subsidized, and cultivated in combination with other crops (CmiA, 2009a). Whereas organic cotton demands a shift in thinking and a new cultivation approach, CmiA aims at an incremental transformation of production techniques toward less chemical pesticides and fertilizers. This also fits into existing policies of promoting integrated pest management and agricultural mechanization. In Benin, for instance, the activities of CmiA are integrated into the national cotton development framework (AIC, 2009). This demonstrates that the enforcement of environmental and social norms can be compatible with governmental cotton development policies if these are based on genuine economic goals, such as improving the competitiveness and increasing cotton yields.

5.5.4 Policies on biotechnology

The worldwide advance of genetically modified cotton is potentially threatening to all partnerships, as all standards, be it organic, Fairtrade or CmiA, exclude the use of genetically modified organisms (GMOs). The spread of Bt cotton poses formidable questions of how to organize the co-existence of different types of cotton, and will undoubtedly obstruct the continuation and expansion of production methods that do not allow GMOs. So far only partnerships active in Burkina Faso (Helvetas et al BF and CmiA) are affected by this development; however, “it is just a matter of time before other countries follow and introduce Bt cotton” (respondent 3).

Burkina Faso commercialized Bt cotton in 2008 and this season (2009/10) already one third of the area planted under cotton will be with Bt varieties. Based on the results from field trials, the Burkinabe national research institute INERA expects that Bt cotton will lead to health as well as economic benefits. Accordingly, Burkina Faso’s goal is to expand the area under Bt cotton cultivation “in view of the good results obtained so far” (Government of Burkina Faso, 2007: 18). Even the partner of Helvetas, the producer organization UNPCB, welcomed the trial results of Bt cotton, and emphasized the promise of biotechnology to increase yields and reduce pesticide use (Bingen, 2008). “Although Helvetas has tried to inform them [UNPCB] about potentially adverse effects of this new technology, […] they seem to expect more from biotechnology than from organic cotton” (respondent 8). For the time being, the separation of Bt cotton and organic or CmiA cotton can be safeguarded, but it is almost certain that this separation cannot be upheld. CmiA already considers withdrawing from Burkina Faso and temporarily halting the cooperation with its partner company, if the different types of cotton are mixed (respondent 5). However, CmiA’s moratorium on Bt cotton expires in 2011, which grants it the option to allow Bt cotton in future and conform to the biotechnology trend. “We [CmiA] want to evaluate GM cotton in Burkina Faso and […] by 2011 we should know quite a bit about the prices and incomes of producers” (respondent 5). Another solution is provided by Uganda, which has constituted an area dedicated to organic production only, thereby restricting the mixing of different cotton types. In Burkina Faso, however, no regulatory mechanisms are in place to organize the co-existence of different cotton types, and the prospects thereof seem dim, considering, as Bingen (2008) argues, that there is not even a mechanism to establish refuge zones separating conventional cotton from Bt cotton in order to avoid pest resistance of Bt cotton. Moreover, the costs of ensuring that organic or CmiA cotton remain GM free have to be borne by the organic or CmiA farmers, as the mixing of cotton does not pose a problem for Bt cotton farmers. Thus, both organic and CmiA cotton may become more expensive and less competitive.

5.5.5 Subsidies and market support policies

Another aspect to weigh on the competitiveness of partnerships working in Africa are the subsidies given to producers in major cotton producing countries and the national pricing policies in West Africa. As a partnership that wants to compete on the conventional market, CmiA is particularly affected by this factor.

On the one hand, CmiA has to struggle with artificially low cotton prices caused by worldwide subsidies, which also decreases the price for CmiA cotton traded on the world market. "The medium-term outlook for the prices to African cotton producers looks bleak given the failure to […] eliminate subsidies provided to cotton producers in cotton producing developed countries" (Hussein, 2008: 30-31). To break away from this price pressure, CmiA attempts to position itself as a competitive quality label for African cotton grown under environmental and social standards which increase productivity and fiber quality. CmiA seeks to avoid the anonymity of conventional cotton markets, so that verified cotton can be traded under different terms to fetch higher prices. The increase in revenues for farmers would also reduce the influence of the subsidies (CmiA, 2009b). However, as CmiA does not demand price premiums for its cotton, prices will only rise if sufficient market demand is created for this product – a goal which has not yet been achieved (respondent 6).

On the other hand, CmiA is negatively affected by national pricing policies in West Africa, where governments establish annual fixed floor prices for cotton in order to counter low market prices and the resulting decrease in production. In several countries, prices have recently been well above world market prices, which put several cotton companies in serious financial difficulties and partially required government bail outs (Kelly and Tschirley, 2008). The stiff pricing structure also jeopardized the financial situation of a partner company of CmiA in Burkina Faso (respondent 12). Hence, in some countries CmiA has to deal with artificially high national prices in the face of artificially low international prices.

By contrast, partnerships working with organic and especially Fairtrade standards are considerably less affected by international subsidies and national pricing policies. These partnerships aim at de-commoditization through product differentiation and remain de-coupled from the conventional cotton price. Irrespective of international or national pressures on prices, Fairtrade guarantees a minimum price that "always covers the cost of sustainable production" (FLO, 2009). Similarly, organic cotton falls outside the usual up and down of prices in the conventional cotton market (respondent 4). Prices and price premiums for producers are relatively stable because they are usually agreed upon by the project partners (respondent 12). Thus, by means of collaborative efforts, these partnerships create a separate market in which the value of cotton includes social and environmental considerations and is largely free from policy restrictions.

5.6 Conclusion

This chapter has attempted to address the knowledge gap on the influence of institutional factors on partnerships for sustainable development. At the same time, we sought to connect the actor approach with the institutional approach on partnerships by linking this debate to the interactive perspective on institutions. By looking at five cotton partnerships in SSA, we have shown that the implementation of partnerships' activities at production level is shaped by different kinds of institutional factors which can constitute barriers or create opportunities for partnerships. As critical variables determining the nature of the influence of different institutional factors, we identified the following partnership strategies: cooperative versus contract farming and organic/Fairtrade standards versus the mainstream-oriented CmiA-standard. Amongst others, we have discovered that especially partnerships pursuing cooperative farming and using organic/Fairtrade standards are subject to constraining institutional factors. These partnership strategies run counter to current institutional structures that are based on heavy input utilization, rewarding quantity rather than sustainability, and providing a strong position for cotton companies in national production. In this sense, we can speak of an institutional bias against partnerships that use cooperative farming and organic/Fairtrade standards. However, anecdotal evidence suggests that such partnerships can avoid the normal institutional structures due to their marginal role in total cotton production. These kinds of partnerships may serve as a source of institutional innovation, exemplifying possible transformation pathways that may exist for African cotton production toward greater sustainability through the creation of stronger and more powerful producer organizations. Moreover, organic and Fairtrade cotton allow for de-commoditization through product differentiation and offer a way out of international policy constraints caused by trade-distorting subsidies. However, the implementation efforts associated with cooperative-based, organic partnerships, combined with the low market share of organic cotton, inherently limit the number of farmers that can participate in these schemes.

Contract farming and mainstream sustainability standards give partnerships the opportunity to fit better into current structures and build on existing input supply and marketing channels. While this subjects such partnerships to the institutional constraints of the conventional cotton sector, it also enhances their potential for upscaling. The contract farming and mainstream sustainability approach is relatively easy to transfer to other countries, if there are market-based, interested cotton companies that are willing to fulfill the role of production hubs for the partnerships. The upscaling potential is illustrated by CmiA, which is in the process of expanding to two more countries and has the goal of ultimately including more than 265,000 smallholder farmers. However, countries with heavy state interference and national monopolies are currently excluded from this development, as market-oriented, competitive companies are critical to the long-term success of this type of development. This indicates that some countries have a comparative institutional advantage as their regulatory frameworks are more welcoming to partnership-induced change. In other words, it appears as if the successful implementation of partnerships using the strategies of contract farming and mainstream sustainability standards is largely based on the existence of developing country governments adopting a neo-liberal approach to development, emphasizing the privatization of state-owned companies and deregulation of national economies.

Our findings related to the strategies of partnerships also reveal that different institutional factors vary in importance. The organization of the cotton sector is the most critical institutional factor, which strongly influences every partnership strategy and ensures that contract farming and mainstream-sustainability are currently easier to implement than cooperative farming and organic standards.

In consequence, the development and expansion of partnerships depends considerably on the regulatory structure of the cotton industry, which imposes conditions that cannot be overcome in the short term. As providers of the regulatory environment, governments in producing countries are assigned the key task of setting the conditions that are beneficial to the development of partnerships. So far, the regulatory constraints facing partnerships stem to a large extent from the inability of governments to play an active, complementary role in sustainable cotton production.

Positioning chapter 6

Chapter 6 aims to answer the following research question:

To what extent is the capacity of partnerships to promote sustainable change influenced by their relationships with other partnerships?

The previous chapter examined the influence of institutional factors on the capacity of partnerships to promote sustainable change. This chapter shifts the perspective from institutions to networks, and analyzes partnerships in their interconnectedness to other partnerships. As mentioned in the introduction of the dissertation, the capacity of partnerships is expected to be influenced both by their institutional context and by their relations and interactions with other partnerships. This becomes all the more relevant in view of the recent proliferation of partnerships along global agricultural commodity chains. In fact, one can witness a plethora of intersectoral partnerships that in one way or another aim to promote sustainable change. One could assume that if these partnerships were to cooperate with each other, they could take advantage of potential creative synergies and thus increase their capacity to promote change. If partnerships did not coordinate their activities, they would risk inefficiency and duplication. However, this issue is not as clear-cut as it would seem. Little is known on the relationships between partnerships and their implications for the capacity of partnerships to promote sustainable change in chains.

To look into this matter, this chapter moves beyond the small-N case study approach that characterized the previous chapters. Taking the global cocoa sector as a setting, it examines 55 partnerships to identify the linkages between them, their evolution over time and their functional implications. The chapter also analyzes the simultaneous occurrence of and balance between cooperation and competition between partnerships. By studying partnerships in their interconnectedness to other partnerships and by identifying the formation of a global network of partnerships, this chapter offers a final perspective to improve our understanding of the capacity of partnerships to promote sustainable change in global agricultural commodity chains.

The chapter was written in collaboration with Pieter Glasbergen and Pieter Leroy, and was accepted for publication in Global Networks.

6 Partnerships of a feather flock together? An analysis of the emergence of networks of partnerships in global commodity chains

6.1 Introduction

Intersectoral partnerships are increasingly portrayed as new forms of global governance that hold potential to address complex sustainability issues in a multi-actor context (Bäckstrand, 2006; Eweje, 2006). Such partnerships refer to voluntary arrangements between two or more parties from state, market and civil society, and are based on the idea of market-based collective action serving public interests as well as private interests (Glasbergen, 2007). Partnerships have been identified as important initiators of sustainable change, particularly in forestry (Pattberg, 2005b) and in agricultural commodity chains (Bitzer et al., 2008). While crucial questions remain about the actual impacts on the ground and the durability of partnerships' effects (Lund-Thomsen, 2009), it is apparent that we witness a "steady proliferation of global partnerships" (Gregoratti, 2009: 1).

Projects are the most common vehicle to carry out partnership activities in developing countries. They often have similar goals and work on similar issues, such as setting production standards, improving rural livelihoods and capacitating small-scale farmers. The thematic overlap of partnership activities raises important questions about the interactions and relations between partnerships in a given sector. Are partnerships disparate, independent and locally dispersed initiatives, or are they intertwined in some way and constitute a field of networked structures? How do partnerships relate to one another? The literature on partnerships has mostly suggested that partnerships compete with each other for market share, prominence and legitimacy owing to their reliance on standards and certification (Glasbergen, 2007; Bitzer et al., 2008). From a business perspective, standards serve as tools to gain competitive advantage or maintain a market position by offering a differentiated product (Bagnoli and Watts, 2003; Bartley, 2007). Competition between standards has been observed particularly in the global coffee sector (Muradian and Pelupessy, 2005; Raynolds et al., 2007) and in forestry (Bartley and Smith, 2010), where the existence of too many competing schemes has impeded the emergence of functional links across standards (Visseren-Hamakers and Glasbergen, 2007). In other sectors, however, such as the cut flower industry, competition and cooperation between standards have been shown to exist simultaneously (Riisgaard, 2009). Tensions and rivalry have partially led to 'co-opetition' and convergence of standards (Ingenbleek and Meulenberg, 2006; Smith and Fischlein, 2010). Instead of speaking of one-sided relations, it would appear more accurate to portray standards as having complex relations of mutual observation, cooperation and competition. Thus, standard initiatives can best be described "as a sprawling, largely unmapped, highly changeable, loosely networked social field" with several centers of activity (Meidinger, 2003: 276).

Beyond these observations on standards, little is known on the interactions between partnerships. In light of their recent proliferation, we argue that an approach to partnerships is required that is able to analyze the emergence of a network of partnerships in order to understand their capacity for change. Such an approach shall also determine whether partnerships coordinate their activities and collaborate to increase their outreach, or whether they compete for market share and resources. Therefore, we seek to analyze the relations between partnerships, their evolution over time, as well as the simultaneous occurrence of and balance between cooperation and competition. Finally, we aim to establish the functional implications of the linkages between partnerships.

To achieve our research aim, we move away from the dominant case study approach in the literature on partnerships, and look at a sector-wide conglomeration of partnerships. The global cocoa sector serves as an ideal arena for this undertaking due to the recent rise and mainstreaming of partnerships aiming to improve the sustainability of cocoa production. While the situation at the production level was neglected for a long time by industry members, in the early 2000s two distinct threats triggered the emergence of corporate social responsibility and stakeholder engagement. Firstly, industry members realized that future supplies of cocoa were by no means guaranteed, given the concentration of production in politically volatile West Africa and the stagnation of production elsewhere. This sector-internal threat in the form of low productivity, old farms, and high incidence of pests and diseases has fueled concerns "that a global ecological threshold for cocoa production is fast approaching" (Neilson, 2007: 230). Secondly, the industry became the target of a global campaign by NGOs, US politicians, labor unions, and the media that made allegations of child labor and child trafficking on cocoa plantations in West Africa, which accounts for 70 percent of global cocoa production (Tulane University, 2008). The connection of valuable consumer brands with child exploitation posed a serious external threat to corporate reputation and sales (Schrage and Ewing, 2005).

This context motivated a broad base of companies to engage in activities at production level, often in the context of public-private partnerships. Sustainability initiatives emerged at industry rather than individual company level due to the active role of lead firms (Tallontire and Greenhalgh, 2005). These lead firms are located in the grinding/processing and manufacturing/branding segments of the chain, in which power is both highly concentrated and relatively balanced (Fold, 2002). Moreover, the sustainability initiatives were driven primarily by economic and social, but not environmental concerns (Neilson, 2007). In terms of social issues, the focus of activities lay on the eradication of child labor. Being vulnerable to bad publicity, industry members and government officials were compelled to sign the so-called Harkin-Engel Protocol in 2001, and to commit to eradicate worst forms of child labor in compliance with International Labor Organization (ILO) conventions. A public certification system was developed in 2002 by a multi-stakeholder partnership, the International Cocoa Initiative, and has so far been applied in Ghana and Cote d'Ivoire.

With regard to economic issues, activities concentrated on the provision of technical assistance to farmers and increasingly also on the promotion of sustainability standards, which were translated from other commodities and adapted to cocoa production to respond to growing consumer demand for ethical cocoa. Five global standards are currently relevant – organic, Fairtrade, Rainforest Alliance, Utz Certified and Starbucks' Cocoa Practices –, which capture around three percent of the world market and experience high annual growth rates (TCC, 2009). While companies were skeptical of certification up to three to five years ago, the situation has since changed substantially, and all major buyers have integrated certified cocoa into their portfolio. An industry-wide consensus has emerged on the desirability of certification as a means to reach through the value chain to work with farmers, change behavior, increase rural incomes, and improve trading relations.

This chapter proceeds as follows. We first conceptualize our approach to study the linkages between partnerships and the emergence of a network of partnerships. After presenting our research strategy and data, we get to the core analysis of this chapter. First, we examine the appearance and development of partnerships in the global cocoa sector. We then determine the linkages between partnerships based on overlapping memberships. Following this, we analyze the institutional linkages between partnerships by detailing their evolution over time and their occurrence in distinct issue areas. Based on these findings, we identify the formation of a global network of partnerships and the functional implications thereof. Finally, we point out the implications of our findings for the partnership practice and for future research.

6.2 From partnerships as networks to networks of partnerships

Networks constitute social structures made up by actors and their linkages (Carlsson and Sandström, 2008). The actors can be persons, business units, organizations, etc. and the content of the linkages can encompass information, materials, financial resources, services, social support, etc.

In policy analysis networks refer to social arrangements in which public and private actors develop patterns of horizontal interaction and communication in the policy-making process. Such networks evolve as a result of either mutual resource dependency or common problem definitions and common discourses between actors (Benson, 1975; Sabatier and

Jenkins-Smith, 1993). Networks are characterized by the absence of formal authoritative control and by cooperative bargaining processes to enable collective action in a setting of pluralism of interests, views and meanings.

From this perspective, partnerships themselves are often regarded as networks. Partnerships are formed through collaborative, non-hierarchical relationships between organizations from different societal sectors, sharing resources, risk and expertise. While 'partnership' is the most commonly used term, the same phenomenon has also been analyzed under the header of Global Public Policy Network (Witte et al., 2000), Global Action Network (Waddell, 2003) or multi-sectoral networks (Bäckstrand, 2006). Based on their capacity to combine the strengths of individual organizations with the identity of the network, partnerships as networks have been identified as important instruments for governing major contemporary environmental and social issues. Partnerships as networks are believed to constitute more than the mere aggregation of actors due to the synergistic effects of the linkages among actors (Sandström and Carlsson, 2008). Such linkages contribute to enhanced communication, to the creation of common norms, and to the exchange of information and resources (Keck and Sikkink, 1998; Diani and McAdam, 2003). In this manner, networks facilitate collective action (Glasbergen, 2010) while also being an expression and product of collective action (Della Porta and Diani, 1998).

What has mainly been neglected in the literature on partnerships, however, is that not only can partnerships be conceptualized as networks, but a collection of partnerships in the same issue field may also form a network by creating relationships between them and performing transactional functions. It might be hypothesized that such linkages between partnerships are the next logical step in the development of new governance arrangements. This implies that individual partnerships are considered the first step in the collaboration of actors who share the objective of making an industry sector more sustainable. This first phase is characterized by the emergence of many partnership initiatives, as we have already observed for several sectors, such as forestry and agricultural commodities (Meidinger, 2003; Cashore et al., 2004; Bitzer et al., 2008). As a next step these autonomous partnerships may recognize some common ground in their objectives and activities, and explore the opportunities for collaboration on at least some aspects of the issues they share. In this phase we expect to see the development of linkages between partnerships, leading to the formation of a *network of partnerships*.

This hypothesis needs to be further explored by analyzing the relations between and the interconnectedness of partnerships. Such an analysis requires that at least three operational research questions are addressed. The first question looks at how partnerships are linked. The network literature commonly distinguishes between two main types of networks, depending on whether actors are linked to each other through shared membership or by social relations (Breiger, 1974). The first type of network is referred to as an affiliation network, and consists of the linkages among actors through their joint participation in groups (Faust, 1997). Actors are connected whenever they share a group, and groups are connected whenever they have the same actors as members. The second type of network denotes a dyadic network, in which actors are directly connected to other actors, for instance through friendship or business ties. Applied to the study of partnerships, this implies that firstly, partnerships can be connected to each other through overlapping member organizations, which create affiliation networks. Secondly, partnerships can be linked to other partnerships through direct institutional linkages, denoting that partnerships cooperate with other partnerships.

The second questions deals with the issue areas on which partnerships compete or collaborate in a network of partnerships. Related to the topic of governance, researchers have recently argued that arrangements of standard initiatives compete with each other for the definition of sustainability performance (Smith and Fischlein, 2010). In the broader literature on networks, researchers have suggested that relations within and across networks are usually neither completely competitive nor merely collaborative, but rather "an emergent property of the social structure within which actors are embedded" (Uzzi, 1997: 61). Actors compete for limited resources, markets or customers (Gimeno, 2004), and are simultaneously driven to collaborate to facilitate innovation and imitation (Bengtsson and Kock, 2000).

The third question relates to the transactional and cooperative functions of the network of partnerships. The search for functional implications, that is, for outcomes that could not be achieved if partnerships did not have linkages, is aggravated by problems regarding conceptualization and measurement (Provan et al., 2007). A variety of outcomes could be measured that pertain to the functioning of individual partnerships. In the context of our hypothesis, however, first indications can be derived from analyzing the way in which the goals and activities of partnerships are reinforced and enhanced through the linkages to other partnerships.

Thus, our conceptual framework offers a way for approaching the transformation of partnerships in similar issue areas from individual initiatives to interconnected networks in the context of new governance arrangements for sustainable development.

6.3 Research strategy and data

In order to look at the full network of partnerships a database was established in September 2007 listing all intersectoral partnerships in the cocoa sector, which were located through an internet search (Bitzer, 2010). Every two months the database was updated and, if found, new partnerships were added. This amounted to a total of 55 partnerships, initiated between October 1984 (first partnership found) and June 2009 (last partnership found), which were each given a partnership ID (P1, P2, P3, etc.). Only partnerships that feature two or more parties from state, market and/or civil society are included in the database, i.e. *intra*sectoral initiatives, involving parties from one sector only, are excluded.

The data for the network analysis were collected largely through *desk research*, analyzing various kinds of secondary information, including partnership reports, documents, websites, management presentations, and newsletters. This served the purpose of identifying the linkages between partnerships based on overlapping memberships. All members of partnerships were included in a data base, which helped to create a matrix showing the number of overlaps between all partnerships. The data was then transferred to Ucinet 6.232 (Borgatti et al., 2002) and imported into NetDraw (Borgatti, 2002) in order to visualize the network.

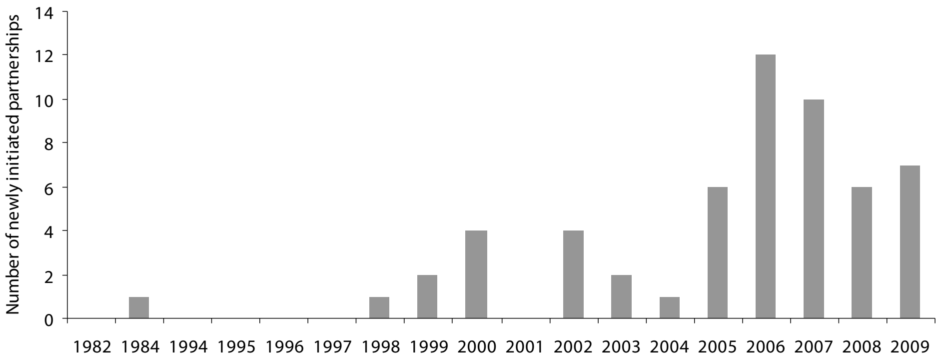
The desk research also provided first indications on the institutional linkages between partnerships. These indications were further explored by resorting to two more data sources. First, we conducted 18 *semi-structured interviews* with representatives from relevant organizations that are participating in partnerships in order to obtain ego-centric data on the presence or absence of relationships among partnerships. The interviews were conducted either face-to-face (10) or via the phone (8), and can be categorized as follows: industry members/industry associations (5), NGOs (5), government agencies (5), research (1) and producer associations (2).

Second, *participant observation* was conducted during the 11th World Cocoa Foundation (WCF) Partnership Meeting in 2007 in Amsterdam (23-24 May 2007) and the 17th WCF Partnership Meeting in 2010 in Utrecht (19-20 May 2010). These bi-annual meetings bring together 200-300 stakeholders from industry, producers, NGOs, governments, and research institutes to discuss cocoa sector outlooks and trends, including perspectives on sustainability, standards and agricultural development. Participant observation provided insights into current and past issues of importance in the cocoa sector, into the collaboration among stakeholders, and into various sustainability programs. The authors also seized the opportunity to conduct informal and exploratory conversations with a variety of stakeholders on the existence, importance and functions of networked structures between partnerships.

6.4 Partnerships in the global cocoa sector

Although the first intersectoral partnership in the cocoa sector can be traced back to the mid-1980s, the actual partnership trend took off only in the late 1990s (see figure 6.1 showing the number of partnerships initiated each year).

Figure 6.1 Emergence of partnerships



The recent partnership trend shows a clear development from small NGO or aid-based initiatives to industry-based multi-stakeholder alliances. In the early years, from 1998 to around 2004, most partnerships were pilot initiatives between a limited number of partners, which worked with a limited number of cocoa farmers, and were mostly initiated and supported by NGOs and international development agencies. The objectives of partnerships generally focused on training producers in better agricultural practices and connecting them directly to international buyers for the purpose of trading a specified product, such as high quality or organic cocoa (cf. Gaarder and McCommon, 1990; Leonhard, 2004). As producing country governments were hardly involved in partnerships, the uptake of partnership-induced change by the public sector was severely restricted. Partnerships remained relatively isolated initiatives that were individually implemented without much coordination with other partnerships (Shapiro and Rosenquist, 2004).

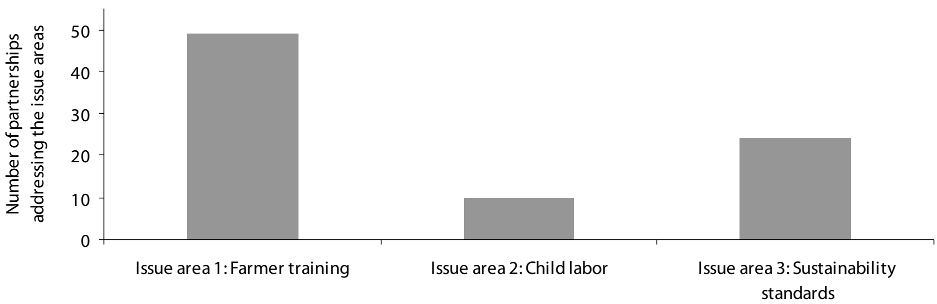
However, in the early 2000s stakeholders "began to realize that a […] sustainable cocoa supply chain would require coordinated efforts of all interested parties" (Shapiro and Rosenquist, 2004: 454). The foundation for change was laid with the creation of three multi-stakeholder partnerships: SUCCESS Alliance (1999), Sustainable Tree Crops Program (STCP) (2000) and International Cocoa Initiative (ICI) (2002), which all aim to serve as coordination platforms for sustainability initiatives. Consequently, the trait of partnerships began changing considerably. While some partnerships still hinge on the efforts of individual organizations, a new generation of partnerships has emerged since 2005 that is based on multi-stakeholder collaboration. Examples include the Cocoa Livelihoods Program, Empowering Cocoa Households with Opportunities and Education Solutions (ECHOES) or the Agribusiness Market and Support Activity (AMARTA), which each involve a wide range of stakeholders from industry, civil society and governments. Instead of receiving funding from international development agencies, many partnerships are now initiated and largely financed by the cocoa industry. Particularly the World Cocoa

Foundation has played an important role in this regard, and has generated an increase in financial and technical resources from industry members. Partnerships have also expanded their scope, and have moved from the niche market to the mainstream cocoa market, involving all major cocoa companies. Finally, partnerships include, or at least communicate with, producing country governments to facilitate local institutionalization of partnership practices.

Thematically, partnerships have become more holistic in their approach, although many still focus on specific pieces of the sustainability puzzle (TCC, 2008). We distinguish between three main issue areas, consisting of (i) farmer training, (ii) the eradication of child labor and (iii) the promotion of sustainability standards and certification. Interviews with cocoa stakeholders confirmed the relevance of this distinction, in spite of frequent overlaps of partnership activities across issue areas. For instance, activities to train farmers can also be used to prepare farmers to meet a particular standard. In the same manner, the eradication of child labor is a prerequisite for obtaining certification. Instead of establishing mutually exclusive categories, the approach taken in this chapter merely highlights the priorities of particular issue areas over others.

Most partnerships address the issue of farmer training (49 out of 55 partnerships; figure 6.2). 24 partnerships promote sustainability standards, and 10 partnerships address directly the issue of child labor. Only 1 partnership was found to address none of the identified issue areas.

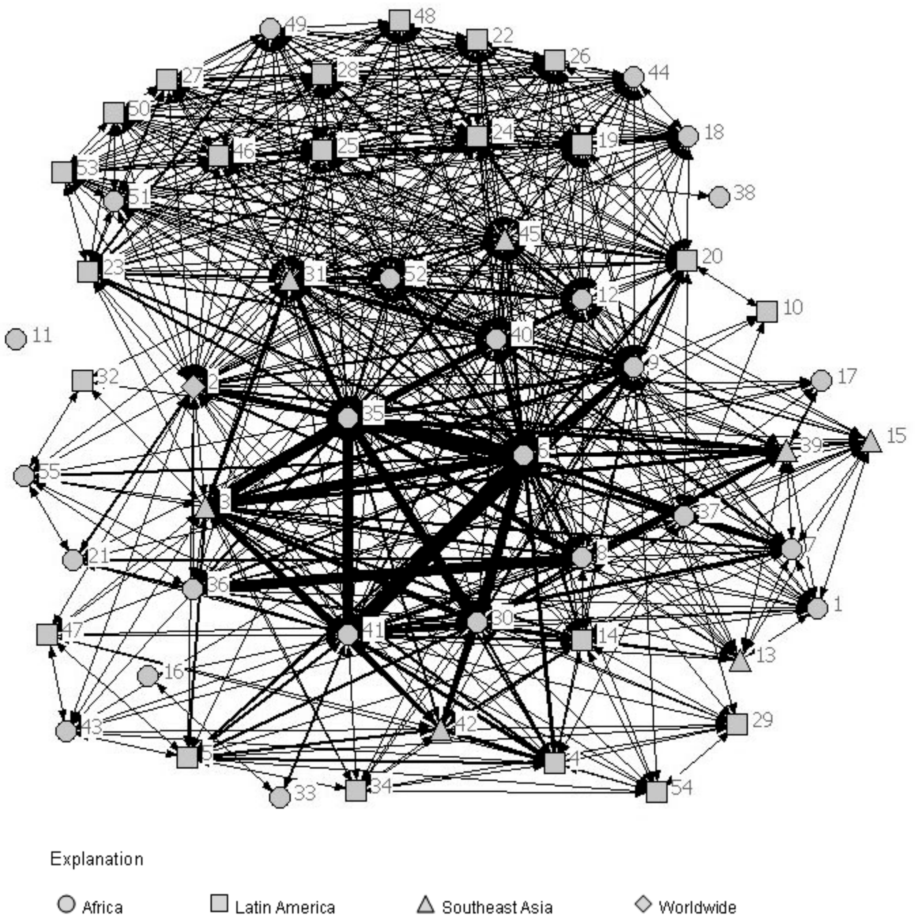
Figure 6.2 Issue areas of partnerships



6.5 Linkages between partnerships based on overlapping memberships

Partnerships are linked to each other via overlapping memberships, as several organizations participate in more than one partnership at the same time. There are 22 organizations, including businesses, donor agencies and NGOs, that are involved in three or more partnerships, and another 21 organizations that participate in two partnerships. Five organizations are exceptionally active in partnerships as initiators, financers and implementers: the German agency for technical cooperation GTZ (involved in 26 partnerships), Mars Inc. (18), the American aid agency USAID (12), WCF (11) and the International Institute of Tropical Agriculture (IITA) (7). While these organizations can be presumed to be most central due to the linkages they create between partnerships, all organizations that belong to more than one partnership contribute to the overall connectedness of partnerships across issue areas and countries. Figure 6.3 illustrates the linkages between partnerships based on the overlapping memberships of the 43 organizations that participate in two or more partnerships.

Figure 6.3 Linkages between partnerships based on overlapping memberships



The figure clearly shows that nearly all partnerships are linked to each other through the multiple memberships of organizations. We can observe a high clustering of ties between partnerships that have a high number of participants, and between partnerships that involve one of the five most active organizations. Particularly in the middle of figure 3, we can distinguish a cluster of linkages between the partnerships P6 (Sustainable Tree Crops Program), P3 (SUCCESS Alliance), P35 (Cocoa Livelihoods Program), and P41 (Healthy Communities), implying that their members are largely the same. The repeated cooperation with the same organizations indicates the existence of cooperative relationships that go beyond the scope of individual partnerships.

The linkages based on overlapping memberships considerably reduce the distance between partnerships, which, on the most basic level, facilitate contacts between partnerships and between organizations belonging to different partnerships. On a more advanced level, multiple memberships of organizations set in motion a two-way exchange process that allows for the flow of information and other resources between partnerships and their member organizations. On an organizational level, interviewees confirmed the exchange of contacts, know-how, information, and technical skills between organizations of different partnerships. Organizations are able to find out ‘who knows what’ and promote agency specialization through their participation in multiple partnerships. For instance, development organizations such as GTZ and USAID are recognized to perform a broker role between industry members and cocoa farmers, Mars has considerable experience with agronomic research, IITA has acquired expertise with participatory farmer training, and WCF is acknowledged as the central industry association with access to considerable resources.

On a partnership level, the overlap in organizations enables partnerships to use their membership ties to manage and transmit information to other partnerships. Particularly large partnerships with several overlapping members function as communication nodes that spread information and shorten the distance between partnerships. According to interviewees, this contributes to the coordination of activities between partnerships and to the integration of previous experiences of members, facilitating the evolution and adjustment of partnership models.

In addition to the affiliation network created by partnerships, cocoa stakeholders are connected by an array of cocoa-related events convened by different organizations, particularly the bi-annual Partnership Meetings of the World Cocoa Foundation, which regularly attract between 200 and 250 stakeholders, and cover various issues related to cocoa sustainability. Other events include meetings in the context of ICCO and the International Cocoa Initiative as well as various regional stakeholder meetings. Moreover, the RSCE has organized two high-profile conferences in 2007 and 2009 to contribute to community building. Thus, cocoa stakeholders frequently meet, not only in partnerships, but also outside of partnerships, weaving a web of connections among stakeholders.

6.6 Institutional linkages between partnerships: between competition and cooperation?

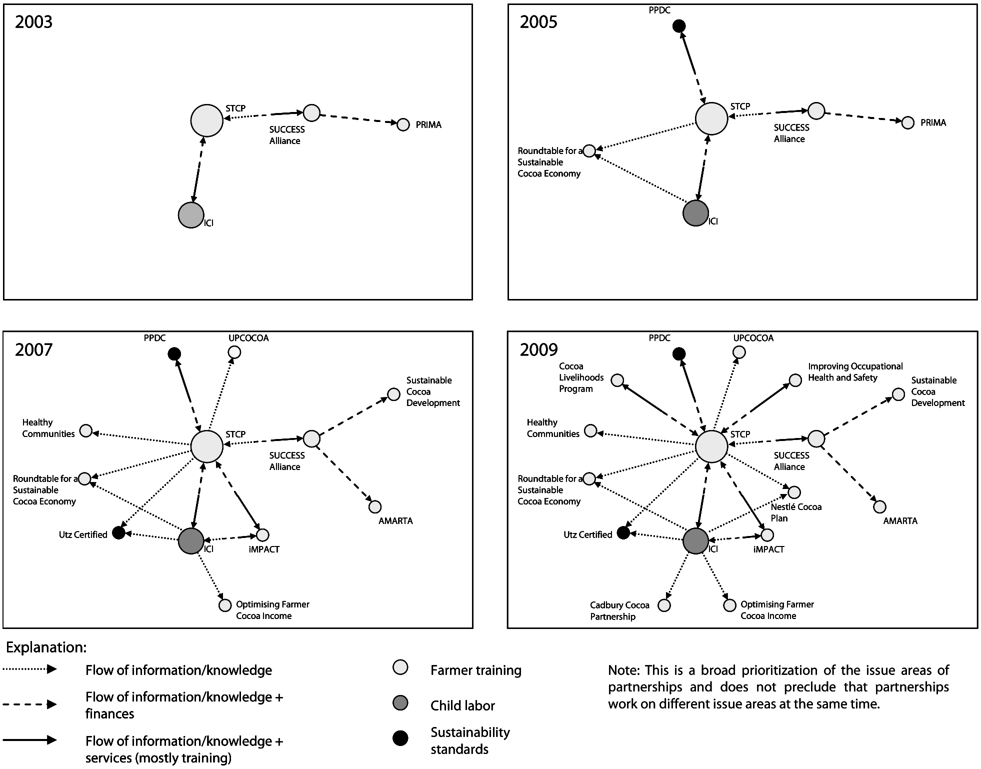
6.6.1 Emergence of institutional linkages

Next to the linkages based on overlapping members, partnerships are also partially connected via institutional linkages, channeling the flow of information, services and finances. These linkages have increased substantially over the period from 2003 to 2009 (see figure 6.4), which coincides with the shift of partnerships from relatively small NGO or aid-based to mostly industry-based, large multi-stakeholder alliances. The evolution of partnerships has apparently facilitated the establishment of mutual linkages, for which we find two explanations. On the one hand, the increase in institutional linkages is owed to the active role of the Sustainable Tree Crops Program (STCP), SUCCESS Alliance and the International Cocoa Initiative (ICI), which have attracted various other partnerships to link up with them. They are the earliest multi-stakeholder initiatives and are designed as regional or thematic hubs to coordinate activities. This also reflects in the highly centralized character of the partnership network. All other partnerships only have institutional linkages to the three hubs, but not to each other.

On the other hand, the increase in linkages can be explained by the inclusiveness of the network of partnerships. By 2009 all powerful industry stakeholders were included in at least one partnership of the network, so that the relative balance between the successive oligopolies of chocolate manufacturers and cocoa grinders is maintained. While most partnerships are initiated as multi-stakeholder initiatives, promoting the joint participation of competing companies, even partnerships that represent individual company efforts, such as the Cadbury Cocoa Partnership or Nestlé Cocoa Plan, are able to establish linkages and be part of the network of partnerships. Thus, none of the powerful industry stakeholders are excluded, although some companies participate more than others, such as Mars, which is active in 13 of the 17 partnerships displayed.

However, the partnership network is not inclusive in geographical terms. Partnerships in Africa are linked to STCP and ICI, and partnerships in Asia have ties to SUCCESS Alliance, whereas partnerships in Latin America show no institutional linkages to each other. It appears that partnerships in Latin America are only connected via overlapping members owing to the lack of a regional partnership hub.

Figure 6.4 The evolution of institutional linkages between partnerships



6.6.2 Farmer training

With regard to the issue of farmer training, partnerships are connected with each other by means of multiple memberships of organizations and often also through the direct flow of resources via the well-established partnerships in this issue field, the SUCCESS Alliance in Asia and STCP in West Africa. These are designed to serve as regional intervention programs for farmer training and as coordinating bodies to ensure consistency across different initiatives. They cooperate and share knowledge with each other and with an array of other partnerships. Due to their multiple overlaps in organizations (figure 6.3), SUCCESS Alliance and STCP are highly connected partnerships that communicate information to the general public and other partnerships, mostly concerning Farmer Field Schools – the preferred method of working with farmers across partnerships and the main thematic link between partnerships. Both partnerships not only share practice and research related information, they are also directly involved in other partnerships, for instance, by conducting farmer training for other partnerships. Particularly STCP has turned into a regional network hub coordinating many of the partnerships active in West Africa. It serves as a platform for technology dissemination and research, and concentrates a great part of the resources and expertise related to farmer training. More recent partnerships align their goals in a complementary way to prevent being separate initiatives, and build on the achievements of STCP in farmer training. This also gives them access to STCP's country-level infrastructure and ties with local and international organizations. STCP, in turn, uses its broker function between researchers, local communities, donors and companies to lay the foundation for more partnerships to emerge. As a result, the number of partnerships in West Africa continues to increase along with the resources invested in them. Thus, we can observe a flow of information, financial resources and services among partnerships that has commenced with the establishment of the regional hubs STCP and SUCCESS Alliance. This has contributed to enhanced and increasingly aligned methods of farmer training, which are progressively applied also outside of partnerships.

6.6.3 Child labor

STCP also maintains linkages to partnerships that work on child labor in West Africa, most importantly to the International Cocoa Initiative (ICI), which is the biggest partnership in this issue field, and involves 18 organizations from business and civil society. Founded in 2002 and active in Cote d'Ivoire and Ghana, ICI is the first systematic attempt to address child labor and to start a public certification process that reports on the labor conditions on West African cocoa farms. Its participatory approach to engage key local organizations to implement community-based projects also extends to other partnerships. ICI is a formal partner of five partnerships in West Africa that also directly address child labor, and supports the efforts of these partnerships through its local implementing agencies. This support consists mostly of providing information to partnerships, raising funds to invest in coordinated programs, and encouraging partnerships to align themselves to the sector-wide definition of the problem and to adopt best practices on child labor. As a result of the collaborative relationships among partnerships, a harmonized approach to child labor has developed, and more partnerships have integrated this issue as a cross-cutting theme. Nonetheless, not all partnerships addressing the issue of child labor in West Africa have institutional linkages to ICI; two partnerships only have ties via overlapping memberships.

6.6.4 Sustainability standards

While we can speak of cooperative relationships among partnerships in the issue areas of farmer training and child labor, relationships are far more competitive when it comes to the issue field of standards. These partnerships are connected through multiple memberships of organizations, but do not have institutional linkages with each other. This is caused by the competition between individual member organizations for market share and legitimacy of their standards.

Being the initiators and 'proprietors' of most standards, NGOs depend on purchase commitments of large companies for the success of their respective label vis-à-vis other standards. Therefore, they only have an incentive to collaborate with other partnerships if these work on similar issues as they do, but do not use a distinct standard. In West Africa, some of these partnerships established connections to STCP for farmer training or to ICI on child labor issues (figure 6.4). This suggests that NGOs seek to promote and achieve recognition of their standards by forging linkages to non-standards partnerships. Companies, on the other hand, connect standards to specific brands, making the adoption of standards part of brand management, brand value and risk management. Accordingly, companies are only appealed to collaborate with other standards partnerships if the different standards can feed into different company brands, each targeting different markets and countries. The importance of standards for brand management can be illustrated using the example of the Cocoa Livelihoods Program. This multi-stakeholder partnership of 23 stakeholders operating in four West African countries on the issue of farmer training discussed the option of promoting certification, but realized that this was not possible on a pre-competitive basis, as individual companies wanted to use different standards. To prevent internal conflicts of interest, the partnership has abstained from specific activities related to standards and certification, although the farmer training largely corresponds to standards' requirements. This approach is also pursued by several other partnerships in order to avoid dealing with the competitive issue of standards.

The weak incentives to collaborate generate a decentralized pattern of standards partnerships. There is no partnership that functions as a communications hub for standards, although the Roundtable for a Sustainable Cocoa Economy has made first steps in this direction and discussed the complementarities among standards. However, due to its loose internal structure, it has only few institutional linkages to other partnerships. Various stakeholders have argued that it has not yet managed to develop a common entry point for sustainability standards or to facilitate open discussions on the implications of standards. As a result, there is neither a uniform approach to standards nor an apparent move towards convergence of standards. By the same token, there is little competition in terms of content, norms and criteria between the standards. While some standards, e.g. organic and Fairtrade, are said to have stricter criteria than others, such as Rainforest Alliance and Utz Certified (Raynolds et al., 2007), sustainability performance is measured similarly, producing similar reputational effects for standard adopters.

In conclusion, two findings are especially conspicuous. First, the institutional linkages between partnerships have increased considerably over time and have evolved around regional or thematic partnership hubs, creating a network of partnerships that includes all major industry stakeholders. Second, the institutional linkages between partnerships display a dual character. While partnerships cooperate on the pre-competitive issues of farmer training and child labor, and also agree on the value and utility of standards, they do not cooperate on standards. In other words, the network of partnerships exists because it is inclusive in terms of members and selective in terms of issues, thereby avoiding any internal conflicts of interest.

6.7 Functional implications of partnership linkages

The institutional linkages between partnerships and the linkages through overlapping memberships indicate the formation of a global network of partnerships. By contributing to the sharing of resources, the linkages between partnerships have reinforced the capacity for change of individual partnerships in two ways. Firstly, the linkages have increased the amount of information generated and spread, which now constitutes the biggest resource of the network of partnerships. Most importantly, the dissemination of information serves the purpose of supporting and steering the activities of individual partnerships on the ground. Particularly STCP plays a key role in managing and distributing information between partnerships on various production-related topics. For instance, the exchange of information has contributed to the spread of the Farmer Field School methodology as a training module that is relatively easy to adapt to different contexts. This methodology can also be used as a first step towards the application of sustainability standards by partnerships. The exchange of information has also induced a more harmonized approach on child labor among partnerships. Secondly, the linkages between partnerships have increased the flow of other resources, such as finances and services. Several partnerships in West Africa are linked to STCP, which provides farmer training services and, in turn, receives additional financial resources. As a result, the flow of resources has contributed to the development of reciprocal relations between partnerships and to the convergence of partnership activities.

In order for the implications of the partnership linkages to go beyond the reinforcement of individual partnership capacities, a meta-governance role is required that transcends the linkages. This role is fulfilled by WCF by actively participating in several multi-stakeholder partnerships and by providing a forum for stakeholders to meet and cooperate. This implies that WCF strengthens the linkages between partnerships. At the same time, WCF can only play a meta-governance role because of the existence of linkages between partnerships.

The meta-governance function is primarily directed at network-internal actors. By means of frequently bringing together like-minded stakeholders from industry, civil society and governments, WCF is able to set the sustainability agenda of the cocoa sector and has helped to create an enabling environment where sustainability considerations have entered the mainstream market. It has fostered a general consensus on the importance of stakeholder collaboration and cooperative action to bring about change. Partnerships are attributed a special role in this consensus as an institutional form of multi-stakeholder collaboration from which all parties can derive value. Within this shared vision of a new legitimate cocoa economy, WCF provides guidance to partnerships by spreading information and setting priorities for on-site implementation, such as farmer training. However, it does not engage in rule-setting. It neither establishes a sector-wide minimum standard nor selects an already existing standard as a 'golden standard'. Rather, WCF accepts the co-existence of various standards in an attempt to avoid internal conflicts of interest, particularly among industry representatives. However, the skepticism in producer countries towards the different standards shows that the hands-off approach to standards has not been free of struggles and negotiations over the nature of the problems at the production level and their solution. Producer country governments and producer representatives have repeatedly argued for increased deliberation on the costs and benefits of the different standards, and have called for a harmonized approach to sustainable production practices. Nonetheless, these issues are not addressed by WCF to keep the shared vision broad enough for all stakeholders to identify with it and to commit to it.

WCF also addresses actors outside the network to create an enabling external environment. It collects information from partnerships and makes it available to the general public through its website, newsletters, conferences, and press releases. Consumers constitute a major target audience to whom aggregate partnership experiences and success stories are transmitted in order to increase the legitimacy of the cocoa industry. Moreover, WCF distributes information on the achievements of partnerships to advance the ties to governments in producing countries to help mainstreaming and embedding the practices of partnerships in local institutions. Thus, WCF represents partnerships and lobbies on their behalf.

The meta-governance role by WCF is a prerequisite for the linkages between partnerships to unfold an impact beyond the reinforcement of individual partnership capacities. Although WCF does not have formal authority and any conformity to rules is purely voluntary, WCF has managed over the last ten years to develop a steering capacity for the coordination and sustenance of the broader sustainability efforts of the cocoa industry. This, in turn, is critical for the network of partnerships to be able to address the two main threats of the cocoa sector; namely, sector-internal concerns of securing supply and sector-external pressures from NGOs and the media on child labor scandals. On the one hand, WCF contributes to steering partnerships towards the overall goals of securing supply and improving the conditions at the production level. On the other hand, WCF protects partnerships from external pressure by promoting the achievements of partnerships to actors outside the network.

6.8 Conclusions

In the context of growing public pressure and internal supply chain concerns, a multiplicity of partnerships has recently emerged in the global cocoa sector. This warrants a closer look at the linkages of partnerships to see whether they compete or cooperate with each other. For this purpose, we have moved beyond the single case or small-N case study approach that dominates much of the literature on partnerships, and examined 55 partnerships to identify the linkages between them, their emergence over time and in distinct issue areas, as well as the functional implications of the linkages.

We discovered that partnerships are much more connected with each other than would be expected based on the partnership literature. These connections are based on overlapping memberships of organizations and increasingly also on institutional linkages between partnerships. To a large degree, the institutional linkages have emerged over the past few years as partnerships have evolved from relatively small NGO or aid-based initiatives to industry-based multi-stakeholder alliances, including all major industry stakeholders. Especially the issue fields of farmer training and child labor exhibit institutional linkages between partnerships, channeling the transfer of services, financial resources and information. Regional partnership hubs have formed that coordinate partnership activities and contribute to the flow of resources between partnerships. Standards, on the other hand, represent an issue field that does not encourage collaboration between partnerships due to the competitive positions of their members in this regard.

Based on the selective nature of the institutional linkages in terms of issue areas and the inclusive nature of linkages in terms of industry stakeholders, a global network of partnerships has formed. In particular the institutional linkages transferring services, financial resources and information create a resource base which reinforces the capacities of individual partnerships in the areas of farmer training and child labor. The impact of the linkages between partnerships is enhanced through the meta-governance role of the World Cocoa Foundation. It steers network members in reference to overall network goals and seeks to increase the legitimacy of the cocoa sector vis-à-vis actors outside the network. However, it does not engage in rule-setting to avoid internal conflicts of interest, particularly between businesses of different partnerships, and accepts the co-existence of various sustainability standards. As producers argue for a more harmonized approach to standards than is currently the case, the absence of rule-setting contributes to a reinforcement of the power imbalances between producers and large stakeholders from consumer countries. The lack of rule-setting also reveals the structural fragility of the network of partnerships. Nearly all partnerships are connected via overlapping memberships, but only a limited number of them also display institutional relations that channel services, financial resources and information. This leads to fragmentation and presumably to loss of efficiency. Geographically, this fragmentation can best be observed among partnerships in Latin America, which are not well connected and lack a regional hub as in West Africa or Southeast Asia. Thematically, the fragmentation occurs with regard to standards and certification, although these rank among the most important trends in current cocoa production and may well come to dominate other sustainability issues in the coming years. The partnership network needs to develop new approaches to deal with these fragmentations if it is to strengthen its influence and authority.

While more research is needed, our study shows that partnerships should not be regarded as closed structures, but as flexible arrangements that participate in networks. Partnerships can be linked to each other via overlapping memberships and also institutional ties, which impact on the activities of partnerships and their course of action through a process of resource sharing, facilitating the continuation and reproduction of previous experiences. Network structures can also speed up the spread of innovation, and avoid loss of efficiency. Taking the global cocoa sector as an example, our findings draw attention to the possibility of linkages between partnerships also in other sectors. Competition between standard initiatives, as has been observed for the forestry or coffee sectors, does not necessarily imply the absence of linkages and of collaborative processes concerning non-competitive issue areas. This warrants further investigation and calls for an approach to partnerships that takes into consideration their engagement in networked structures to understand their capacity for change. As partnerships continue to be on the rise in many sectors, a greater understanding of their embeddedness in a wider governance context is indispensable to take account of the possible shift from partnerships as governance mechanisms to *networks of partnerships* as governance mechanisms. This suggests that the formation of networks of partnerships might present a further step towards governing complex cross-border sustainability issues.

7 Conclusions and reflection

7.1 Introduction

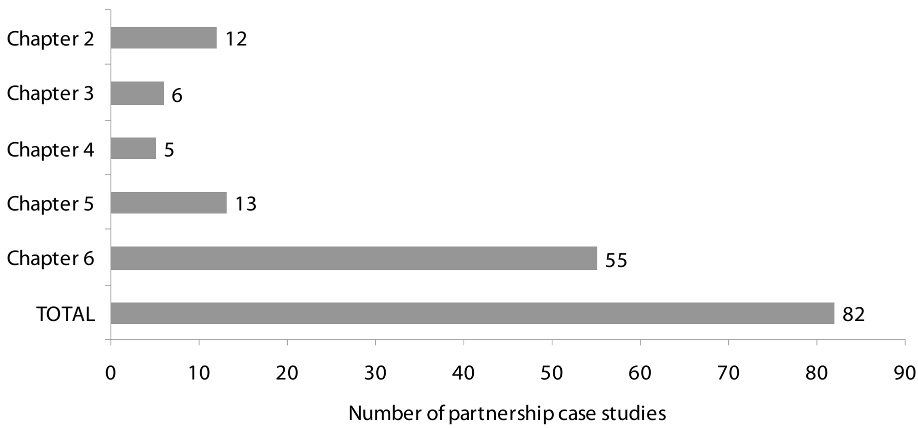
This research began with the observation that partnerships in global agricultural commodity chains have become increasingly common over the past decade, reflecting a broader trend towards intersectoral collaboration since the 2002 UN World Summit for Sustainable Development. While proponents welcome this development and consider partnerships as innovative mechanisms to overcome single actor failure in the context of globalization, opponents refer to the unproven track record of partnerships and view partnerships as a reinforcement of old power imbalances and neoliberal discourses. Both the governance and the development literature pick up this debate and conceptualize partnerships from different perspectives. Partnerships are studied as manifestations of mutual dependencies in a changing world, in which responsibilities of and relations among different actors in society have shifted and have given rise to institutionalized interactions in the hope of win-win situations. However, both strands of literature leave open important questions surrounding the capacity of partnerships to deliver on their proposed added value. Therefore, this dissertation posed the following research question:

What is the capacity of partnerships to promote sustainable change in global agricultural commodity chains, how does this capacity manifest itself, and to what extent does it depend on the strategies, institutional context and network relations of partnerships?

The dissertation aspired to answer this question by means of five empirical chapters, which each shed light on different aspects of the capacity of partnerships to promote sustainable change. The introductory chapter argued that the concept of capacity is mainly an outcome-oriented concept, which was defined as the *ability of partnerships to promote sustainable change in global agricultural commodity chains by means of pursuing distinct strategies and performing distinct functions*. This ability was recognized to be partly influenced by the embeddedness of partnerships in the institutional context and horizontal network relationships. Sustainable change in agricultural commodity chains was specified to refer to a shift in the configuration and functioning of the chains that addresses the sustainability challenges associated with them. In line with the two main strands of literature used in the dissertation, the capacity of partnerships can either be viewed from a governance perspective (partnerships as governance tools) or from a development perspective (partnerships as development tools). To a large extent, these perspectives correspond to a chain-wide focus (governance) versus a production level focus (development).

The global coffee, cotton and cocoa chains served as main fields of application to analyze the capacity of partnerships. All three chains represent agricultural commodity chains that are at the center of intense debates on globalization, development, and sustainability. By looking at different commodity chains and several partnerships organized around these chains, the dissertation takes up a comparative perspective which allows for the results of the empirical chapters to be placed into the wider context of partnerships in global agricultural commodity chains. In total, 82 partnerships have been reviewed at in the five empirical chapters, of which the majority of partnerships (55) are studied in chapter 6 in the context of the cocoa sector.

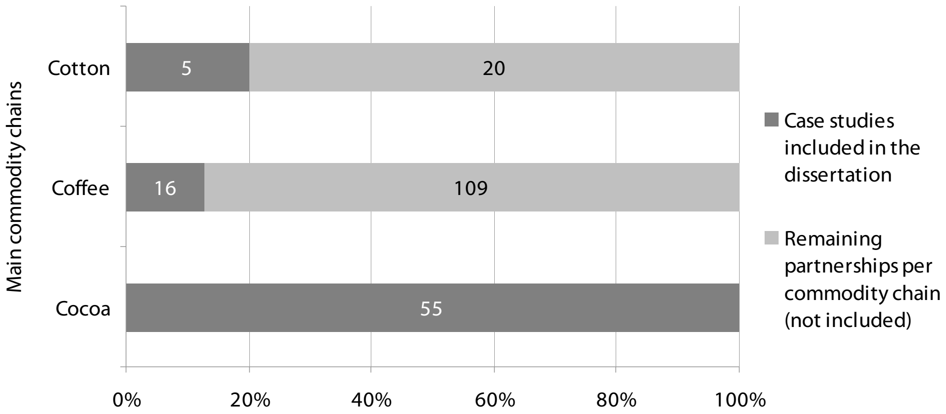
Figure 7.1 Number of case studies per chapter[14]



The number of partnerships studied in each chapter is closely related to the specific research aim of that chapter, which mostly required an in-depth analysis of partnerships following qualitative research methods. Only the 55 cocoa partnerships of chapter 6 were studied using a combination of quantitative and qualitative research methods. While this implies that the individual cases of chapter 6 were studied less intensively, a high representativeness is achieved as all partnerships found in the cocoa sector were included in the study. The case selections of the remaining chapters lack this overall statistical representativeness. Instead, they derive their validity from the fact that they either are "crucial cases" (chapter 2 and 4), for instance, by featuring all major market actors, or have a higher representativeness in geographical terms (chapter 3 for Peru and chapter 5 for sub-Saharan Africa).

[14] The case studies of chapters 3 and 5 partially overlap with the case studies of chapter 4. Therefore, the number of total case studies amounts to 82 (and not 91).

Figure 7.2 Number of case studies per commodity chain



The capacity of partnerships has been explored from different theoretical and conceptual perspectives and with different research questions in mind. On the one hand, this diversity provides insights into an array of issues related to partnerships, and facilitates a systematic inquiry surrounding the capacity of partnerships to promote sustainable change. On the other hand, the multiple angles applied in the dissertation limit the generalizability of the results from the sample of partnerships looked at, to the entire partnership phenomenon. Thus, the following results are to be interpreted in the context of this limitation.

This concluding chapter is structured into 6 sections. Section 2 provides a rough empirical summary of partnerships in the three commodity chains studied, explaining their emergence, strategies, and actors. This is followed by an analysis of the capacity of partnerships from the two previously mentioned perspectives. Section 3 interprets the capacity of partnerships to promote sustainable change from a governance perspective, while section 4 focuses on the capacity of partnerships from a development perspective. Both sections present different viewpoints on the capacity of partnerships, which partly overlap, but more often appear to be at odds with each other. The differences in results are reflected upon in section 5, which looks for an overall interpretation of the typical biases partnerships seem to imply. Finally, section 6 presents an outlook on *partnering for change in chains*, and discusses future study needs to guide further research efforts in this field.

7.2 Mapping the field of partnerships in commodity chains

Partnerships in global agricultural commodity chains come in different shapes and sizes, ranging from small arrangements between two partners to large multi-stakeholder initiatives with more than one hundred members. They can also comprise relatively loose alliances as well as highly institutionalized legal associations. Yet, partnerships have many aspects in common and not only because they can all be classified as 'partnerships for sustainable development'. This section first discusses the emergence of partnerships and the motives of actors, and then proceeds to review the varieties of partnership strategies, the roles of actors and the opportunities provided by the institutional context.

The partnership trend emerged in the late 1990s and was mostly instigated by NGOs and sometimes development agencies. Since the mid-2000s, businesses have also become important partnership initiators, thereby contributing to the consolidation and mainstreaming of the partnership trend. For all three commodities, the rise of partnerships is intrinsically linked to the increased pressure on multinational companies by NGOs and the media to reassess their responsibility for the conditions at the production level. Public allegations of severe environmental degradation and human rights abuses, which began to be voiced from the mid-1990s onwards, posed a clear threat to corporate reputation and sales, particularly for branded manufacturers. Many companies sought to protect their business by engaging in corporate social responsibility (CSR) activities, such as partnerships. Especially in the coffee and cocoa chains, the development towards partnerships coincided with a change in global demand towards high quality and ethical products, which created new markets for smallholders' products. Partnerships with NGOs and other development actors are among the most common means to exploit these market opportunities and secure supply while demonstrating ethical business behavior. Concerns of supply were particularly salient in the cocoa sector, considerations to develop new specialty markets were dominant in the case of coffee, and incentives to highlight responsible business behavior were the leading motives in the cotton sector. The engagement of NGOs and development agencies, on the other hand, is motivated by the opportunity to bring together relevant stakeholders and impact on fragmented commodity chains from upstream to downstream actors. By means of partnerships, they seek to directly address unsustainable business behavior, create markets for sustainable commodities and attain potential benefits for smallholder producers and the environment.

The motives of different actors to initiate partnerships indicate that the intervention logic of partnerships is based on the exploitation of market opportunities (and market structures) to reach different sustainability objectives. These objectives are often stated to encompass the promotion of sustainable production practices, the increase of market access and revenues for producers, and the empowerment of smallholder producers. Considering the importance of the market mechanism to promote sustainable change, many partnerships seek to achieve their objectives through the application of sustainability standards and certification. By now, there is a variety of generic and commodity-specific standards used by partnerships to verify their claims. Only in the case of cocoa, do standards play a less important role and partnerships focus more on the pre-competitive issues of providing farmer training – which could be combined with certification later on – and eradicating child labor.

Most partnerships implement a series of activities at the production level to assist farmers with knowledge and resources. These collective activities are characterized by a complementarity of actors' roles, which allows for a division of labor and responsibilities among participants. NGOs are often the most active actors in partnerships, showing both a high frequency and a high intensity of involvement. Due to their grassroots character and their experience of working with smallholder farmers or on environmental issues, they are often in charge of onsite implementation, and act as facilitators between farmers and businesses. This role is sometimes assumed or complemented by development agencies, which likewise possess technical knowledge and implementation capacities, and can also contribute financial resources. Next to NGOs and development agencies, businesses are the key actors in partnerships, particularly large international companies and so-called lead firms. They are the largest financers of partnerships, bring in market knowledge on demand structures and product requirements, and constitute the primary market outlet for the commodities grown by participating farmers. Producer country governments only participate infrequently in partnerships and fulfill smaller tasks, such as assisting in extension and research, or facilitating linkages to other local actors.

The prominent role of business and particularly of lead firms in partnerships – thus, actors that were previously accused of benefitting from exploitative conditions at the production level – confirms that partnerships are a manifestation of the new pragmatism among development actors. This pragmatism attributes a key role to business in solving sustainability challenges and contributing to development. While businesses are not so much needed for transferring technology to producers – NGOs and development agencies can do this as well –, chapters 3 and 4 showed that these actors fare better if they are connected to global market actors to attain market-oriented production and achieve a higher outreach in terms of participating farmers. Business involvement is also critical in terms of financing the activities of partnerships. Hence, the ability to act is significantly enhanced by the presence of lead firms. This is especially the case in the coffee and cocoa chains, where lead firms have considerable influence on how trade is conducted and thus, on the position and upgrading potential of farmers. In these chains, most key businesses, such as large coffee roasters and chocolate manufacturers, are involved in one or multiple partnerships. The inclusiveness of business actors is less pronounced in the cotton sector, where fewer partnerships are active and clear lead firms are difficult to point out due to long and fragmented supply chains and the reduced concentration of market power amongst a limited number of companies.

This new institutional context generates a dialectical impact of partnerships: on the one hand, partnerships have paved the way for sustainability values to enter the agenda of big business; on the other hand, they have institutionalized a business-orientation of development actors.

7.3 Partnerships from a governance perspective

From a governance perspective, the capacity of partnerships refers to their ability to solve a 'governance problem' of global agricultural commodity chains, that is, the lack of governance mechanisms to ensure the sustainable production and trade of commodities. Partnerships address the governance problem to varying degrees by contributing to the spread of sustainability values, by implementing activities at the production level aiming at the transfer of technical skills, by establishing private rules for commodity production, or by forming networked structures and creating linkages to each other, thereby reproducing institutional opportunities.

7.3.1 Agenda-setting

In terms of agenda-setting, partnerships promote values based on environmentally friendly and socially responsible business behavior. Although partnerships vary in their interpretation of sustainability values and their implications for global commodity chains, a baseline consensus has been established among stakeholders which acknowledges the importance of working with farmers, and which identifies a set of unacceptable practices in commodity production and trade.

7.3.2 Implementation

Regarding the implementation of sustainability values, partnerships introduce good agricultural practices for production and post-harvest processes to increase the skills of smallholder farmers and enhance farm management. Often this is combined with the use of standards and certification to promote a set of rules for sustainable production and to respond to global demand for high quality and sustainable products. Technological improvements are generally transferred to producers by means of farmer field schools, the preferred method of working with farmers across partnerships and across commodities. In this regard, partnerships present a new source of technological change in agricultural commodity chains that often fills a vacuum in developing countries where many farmers do not have access to adequate information and extension services. Thus, partnerships fulfill a task that is generally thought to be the responsibility of governments and public extension services.

The empirical chapters showed that the transfer of technology and application of good agricultural practices have resulted in four main benefits for farmers, although there is arguably considerable variation in the extent of the benefits at the individual farmers' level.

Firstly, the employment of improved production methods has led to an increase in product quality and, in the cases of coffee and cocoa, also to enhanced productivity. Secondly, good agricultural practices have improved the environmental performance of farms by adhering to basic environmental management practices, including the conservation of soil and water resources, the rejection of banned pesticides and the upkeep of primary forest. Further environmental improvements are only made by farmers if they are required to do so by the respective standard promoted by partnerships, particularly by organic and Rainforest Alliance standards. Thirdly, partnerships are able to improve the working conditions at the production level and rule out unacceptable practices through the application of standards. All standards exclude the use of child labor and demand compliance with basic ILO labor conventions, such as legal minimum wages, access to participation in labor unions and the exclusion of forced or bonded labor. Standards also include health and safety requirements for workers handling agro-chemicals and dangerous equipment. Finally, certification can increase farmers' revenues, as it is often associated with the payment of price premiums. Chapter 3 discovered that coffee sold as certified fetched higher prices than conventional coffee.

7.3.3 Rule-setting

Standards and certification as private rules for commodity production have experienced considerable proliferation in all of the three commodity chains over recent years. A general distinction can be made between two levels of standards, which refers to (i) their main market outlets and participating businesses (mainstream versus niche) and (ii) their content (more stringent versus broader, more lenient requirements). These two dimensions are generally interlinked in the order presented.

The coffee chain exhibits the greatest variation of standards, ranging from highly stringent standards (SMBC bird-friendly) to stringent (Fairtrade and organic) to less stringent (Rainforest Alliance, Utz Certified) to quality-oriented standards (Starbucks' C.A.F.E. Practices, Nespresso AAA) and, finally, to baseline standards (Common Code for the Coffee Community). Considering the variety of standards, it would appear that the coffee market is saturated in terms of diversity of standards.

This might be different in the cocoa and cotton sectors, where fewer standards exist. In the global cocoa sector, five standards have entered the market (organic, Fairtrade, Rainforest Alliance, Utz Certified and Starbucks' Cocoa Practices), but none of them is an explicit baseline standard that covers large parts of the sector. In the global cotton sector, two relatively new baseline standards (Cotton made in Africa and Better Cotton Initiative) seek to enter the mainstream market, whereas organic and Fairtrade have managed to establish themselves in niche markets at the other end of the market spectrum. However, it seems that the middle ground in between is missing, which in the cases of coffee and cocoa is taken up by the Rainforest Alliance and Utz Certified standards. Thus, we could potentially see movement in this direction, should the consumer demand for more ethical cotton be confirmed.

While partnerships use different standards, we can observe a trend towards mainstream-oriented standards at the expense of Fairtrade and organic standards. This is a twofold trend, indicating that partnerships increasingly use mainstream standards and also seek to reach a greater target group of producers. Various factors contribute to this 'standardization strategy' of partnerships in favor of mainstream standards, mainly relating to the initiating and/or predominant actor(s) involved in partnerships.

Firstly, while even mainstream standards only capture small percentages of the global market, they offer greater market potential than Fairtrade and organic standards, which are mostly confined to niche markets. Secondly, due to the important role of business in partnerships, increasing emphasis is placed on product quality, which is only a minor aspect in Fairtrade and organic standards. Thirdly, most companies reject the idea of guaranteed minimum prices for producers as required by Fairtrade, even on a small-scale basis, for it goes against market principles. Fourthly, this market-oriented thinking is increasingly accepted or even endorsed by NGOs and development agencies. For instance, the certification NGOs of Rainforest Alliance and Utz Certified, which both promote mainstream-oriented standards, are among the most active partnership initiators. Finally, the less stringent requirements of mainstream-oriented standards enable a quick adoption by producers and increase the potential target group. In other words, mainstream standards are characterized by a high 'market compatibility'.

At the same time, the standardization strategy of partnerships is influenced by institutional factors at the production level, which facilitate the application of mainstream sustainability standards as opposed to Fairtrade and organic standards. Partnerships that use organic and Fairtrade standards often face considerable institutional constraints, whereas mainstream sustainability standards fit the existing institutional structures of agricultural production, i.e., exhibit a high 'institutional compatibility'. This allows for a relatively fast and large-scale application by producers.

Thus, the standardization strategy of partnerships depends to a large extent on the dominant actors of partnerships, mostly business, but also other market-oriented actors, and is supported by the institutional context. This pattern reveals a trade-off between the stringency of standards on the one hand and their market compatibility and institutional compatibility on the other hand. The trade-off also causes standards to compete with each other and most of all, with Fairtrade and organic standards on the definitions of sustainable commodities. Despite primarily forming part of a type of parallel production by large companies, such partnerships have already become part of the power struggle in global commodity chains.

The application of standards enables partnerships to initiate a change in the coordination used among actors along global commodity chains by commodifying certain sustainability values. Normal market-based coordination is supplemented with industrial coordination, which solves uncertainties about the quality of a product through inspection and certification, and with civic coordination, which internalizes social and environmental values into trade, albeit to varying degrees. Fairtrade is the most civic-driven by focusing on changing the governance structures of commodity chains and on empowering smallholder farmers vis-à-vis other chain actors. In contrast, most standards used by partnerships are less civic-driven and can instead be labeled as business-driven, for they rely on inspection-centered coordination to integrate a basic set of environmental and social criteria into trade in reward for a basic price improvement for producers. However, as the effects on producers remain ambiguous, the main benefits accrue to large companies which are able to use standards to attain their business goals, such as market development and chain coordination. Thus, standards leave intact the existing governance structures of commodity chains and turn into new mechanisms for supply chain governance by large companies. It might even be suggested that, while standards were originally designed to constrain the behavior of companies and verify their adherence to a set of sustainability values, the current use of standards creates new power imbalances among producers and large buyers. Together with the fact that standards compete with each other, this decreases the value of standards as steering mechanisms for sustainable development.

7.3.4 Networked structures

However, not all partnerships seek to promote chain-wide change by employing standards to communicate a set of rules along the commodity chain. Particularly in the global cocoa sector, many partnerships work on pre-competitive sustainability challenges, e.g., child labor and poor production practices. Such non standard-based partnerships (NSBPs) partially take up a chain-wide function by establishing ties to one another, which are formed through overlapping memberships of organizations and increasingly also through institutional linkages between partnerships. The linkages channel the transfer of information, financial resources and services, which reinforce the capacity of individual partnerships. Particularly the spread of knowledge and information between NSBPs serves two main purposes. Firstly, it helps in creating a common problem definition, for instance, on the issue of child labor. Secondly, it supports and steers the activities of individual partnerships. In this regard, the dissemination of information takes on a chain-wide governance function and contributes to the convergence of partnership activities according to commonly accepted best practices. The linkages indicate the formation of a global network of partnerships, which exists because it is inclusive in terms of (industry) members and exclusive in terms of issues that are addressed by partnerships. This implies that all powerful industry stakeholders are included in the linkages between partnerships, thereby fortifying the power structures of the industry, while competitive issues, such as standards, are excluded from the collaboration. Both aspects serve the purpose of avoiding internal conflicts of interest.

The impact of the linkages between NSBPs is enhanced through a meta-governance organization, the World Cocoa Foundation, which strengthens the linkages between partnerships by creating a shared vision of a new legitimate cocoa economy. It also provides guidance to partnerships by spreading information, setting priorities among sustainability issues and lobbying on their behalf. In this manner, the World Cocoa Foundation steers partnerships in reference to overall network goals and sustains the broader sustainability efforts of the cocoa industry. However, the formation of linkages between partnerships was only possible because the competitive issue of standards was deliberated excluded. Thus, NSBPs may address specific issues in a pre-competitive manner; yet, they are not able to establish and enforce rules for sustainable business behavior. They are also limited in their ability to deal with the existence of and competition between different sustainability standards. This exposes the structural fragility of the network of partnerships.

In conclusion, partnerships act as important agents for technological change which improves the production processes and can also benefit smallholder farmers, who receive training and possibly higher prices for their produce. The new practices promoted by partnerships not only affect the production level, but also take on a chain-wide function if coupled with competitive standards or if embedded into collaborative networks. Both options, however, do not change the existing power asymmetries along commodity chains between large buyers and smallholder producers, which indicates that the capacity of partnerships to promote sustainable change might be judged differently from a development perspective.

7.4 Partnerships from a development perspective

While the governance perspective is largely positive about partnerships in global commodity chains, various restrictions to the capacity of partnerships become visible when viewing partnerships from a development perspective. This perspective studies the capacity of partnerships in the context of a ‘development problem’ of commodity chains, referring to the situation at the production level which is characterized by wide-spread poverty, environmental degradation and labor exploitation. Whereas the governance perspective looks at a chain-wide level to capture the ‘steering’ capacity of partnerships, the development perspective concentrates on the production level to analyze the benefits of partnerships for smallholder producers. Seen from this perspective, the capacity of partnerships remains limited due to their inability to empower smallholder farmers, the ambiguous implications of the use of standards for producers, the focus on incremental and not radical change, and the questionable durability of partnerships' achievements. These points will be now be elucidated in more detail.

7.4.1 Empowerment of producers

The governance perspective observed different benefits of partnerships for producers due to the promotion of good agricultural practices. However, partnerships seem to be unable to complement this technological change with a more humancentric type of change that focuses on the strengthening and empowerment of producer organizations. Such empowerment can be understood in a twofold way, referring to the position of producer organizations within a partnership as well as to the position of producer organizations as chain actors. Both perspectives reveal a discrepancy between the objectives and claims of partnerships and the effects of partnership activities.

While many partnerships, especially in the coffee and cocoa chains, cooperate with producer organizations, the latter are often not able to significantly influence the process and outcome of partnering. Producer organizations are considered the beneficiaries and recipients of partnership interventions instead of actual members. They are chosen by the partnership initiators based on already existing relationships, and they are rarely involved in the design planning of partnerships. Similarly, other actors from producer countries are frequently underrepresented in partnerships, whereas actors from consumer countries bring in substantial resources, perform critical tasks and are thus able to shape the contour and content of partnerships. Such a pattern of actors' representation and roles reproduces existing power imbalances between already powerful actors, such as businesses, and actors from producer countries, especially producer organizations. This implies that partnerships are less an expression of an equal reconciliation of interests, but rather one of a managerial approach to the sustainability challenges of global agricultural commodity chains, wherein influence is granted through individual capabilities and resources. As a result, partnerships are mainly business-driven following a demand-oriented strategy as opposed to being producer-driven which would facilitate a needs-based strategy.

This situation also limits the capacity of partnerships to strengthen the position of producer organizations as chain actors. It is generally acknowledged that the establishment and strengthening of producer organizations are associated with several challenges stemming from the lack of human, material and financial resources of producer organizations. Partnerships seem to recognize the difficult situation of producer organizations and often implement training activities to improve managerial and business administration skills. However, the focus of partnership activities on farmer training to promote good agricultural practices and sustainability standards appears to detract attention from the condition and needs of producer organizations. Measures to strengthen producer organizations have been implemented in piecemeal fashion as add-ons and with patchy success at best. Only partnerships that worked with the Fairtrade label paid special attention to the strengthening of producer organizations; for the remaining partnerships producer organizations constitute a means to get access to producers and to create economies of scale. The empowerment ideal might be part of the rhetoric of partnerships, but largely disappears in practice. As a consequence, producer organizations often continue to struggle with weak financial and human resources, and rely on external support to uphold operations.

7.4.2 Implications of standards

The lack of producer empowerment is even more significant as partnerships create specific problems related to certification burdens. One of the most critical aspects of certification relates to the high costs associated with it, which put considerable financial strain on producer organizations. With the exception of cotton, partnerships neither cover the costs of certification nor provide sufficient credit opportunities for producer organizations. This financing gap creates great difficulties for producer organizations and in many cases fortifies their dependence on external donors. Moreover, the benefits of certification are uncertain, as the price premiums for certified products are flexible and subject to negotiation, regardless of the efforts of farmers to comply with the standards. Only Fairtrade offers guaranteed minimum prices. This model contrasts the market-based formation of prices and is therefore rejected by most partnerships. Instead, the premiums for certified products are based on process and product quality, negotiation capacity and scarcity. However, the last two criteria make it difficult for producers to receive high premiums. On the one hand, the negotiation capacity of producers and their organizations is often severely limited due to lacking managerial skills. On the other hand, many certified products are already experiencing situations of oversupply. As supply outstrips demand, price premiums associated with certified products are bound to decline. Thus, standards neither set in motion a meaningful redistribution of income along commodity chains, nor serve as a guarantee for market access in the face of limited absorption capacities of markets for certified products. The difficulties that many partnerships experience to establish sufficient market linkages for the entire ‘partnership produce’ confirm this dilemma. To improve their chances for favorable market access, many producer organizations are motivated to maintain different certifications with differing demands simultaneously, as the case of coffee has shown. Hence, although farmers are required to adopt new production techniques, comply with a variety of non-harmonized demands and face high certification costs, favorable market access remains elusive in many cases. Finally, the limited size and high demands of markets for certified products implies that only a limited number of farmers can participate. As chapter 3 demonstrated, this can easily lead to a focus of partnership activities on only the most capable producers in an effort to ensure economic viability and facilitate quick compliance with standards. However, such a focus diminishes the capacity of partnerships to promote sustainable change for the majority of commodity producers that are not able to enter these specialty markets. These aspects limit the sustainability of certification as a business model from a development perspective.

7.4.3 Incremental change

The issues of empowerment and certification also illustrate the third point of criticism against partnerships from a development perspective, which refers to the promotion of incremental change by partnerships as opposed to a radical transformation of global commodity chains. The aim of partnerships is not to disrupt current structures, but rather to adjust these structures within the framework of stakeholder consent and take the ruling out of inacceptable practices as the starting point for a sustainable trajectory of commodity chains. On the one hand, incremental change has the advantage of being backed up by powerful stakeholders, particularly large corporations, and of fitting into current institutional structures. As chapter 5 revealed, institutional factors create both opportunities and obstacles for the capacity of partnership to promote sustainable change, which largely depends on the strategies adopted by partnerships. In general, it was discovered that institutional factors facilitate the use of strategies that advance practices which do not deviate substantially from current ones. This shows, for instance, in the 'institutional compatibility' of mainstream-oriented standards, which advocate a process of incremental change based on prevalent agricultural practices, and in the institutional bias against Fairtrade and organic standards, which demand a shift in thinking on agricultural production. Thereby, they often run counter to current institutional structures at the production level which focus on quantity rather than sustainability issues. While these findings are based on the cotton sector and cannot be transferred one-to-one to coffee and cocoa partnerships, they do indicate that the institutional environment of partnerships is most conducive to an incremental and facile type of change that can easily be applied on a large scale. On the other hand, the incremental change promoted by partnerships risks ignoring some of the underlying causes of the development problem of global commodity chains, such as the significant power and resource imbalances between buyers and producers, which is causally related to the limited share of value added for producers and the exploitative conditions at the production level.

7.4.4 Durability of partnerships' achievements

Finally, the capacity of partnerships to promote sustainable change is restricted due to the questionable durability and upscaling potential of partnerships' achievements. Both appear to be constrained by the focus of many partnership activities on certification and by the implementation of activities in a project-like manner within a limited timeframe. As mentioned above, the focus on certification is associated with high financial burdens for producer organizations and results in a comparatively narrow target group of farmers. The project-like trait of partnership activities seems to confine the capacity of partnerships to promoting technological change whilst overlooking to a large degree the importance of empowering smallholder producers and their organizations to act as self-determining chain actors for the uptake and upscaling of partnership activities. Moreover, the shift of technology provision from public agencies towards partnerships raises questions about the roles and responsibilities of these agencies and other governmental institutions from producer countries once partnership activities are terminated. Particularly in the coffee sector, local public agencies are hardly involved in partnerships, which limits the ability of partnerships to institutionalize their changes in local practices. This problem is less pronounced in the cocoa sector, where similar observations on partnerships have been made in the past and where partnerships have started to actively seek the engagement of producer country governments to link up their own activities with local initiatives and public agencies. In a related manner, cotton partnerships either include companies with local branch offices or establish ties to public extension services to root new technologies in local systems.

In conclusion, partnerships follow a rather top-down approach to promoting sustainable change that focuses on transferring market requirements and technical knowledge. This results in a relatively narrow interpretation of sustainable change, which is both shaped by and critically dependent on the market.

7.5 Partnerships and the neoliberal agenda

Partnerships can mostly be seen as reactions to government and market failures which result in various sustainability challenges of global agricultural commodity chains. From a governance perspective, the emergence of partnerships is largely positive inasmuch as partnerships act as initiators and agents of change which, although still mostly confined to niche markets, unfolds a chain-wide governance effect. From a development perspective, the positive effects of partnerships are rather indirect and ambiguous. Several aspects of partnerships can be viewed critically and challenge their capacity to promote sustainable change. These differing conclusions on the capacity of partnerships can be explained by the fact that partnerships fit into and largely embody the neoliberal agenda, which raises specific questions, particularly from a development perspective.

The emergence of partnerships parallels an era of economic and political liberalization propagating a faith in market forces through deregulation, privatization and decentralization. This discourse supports the scaling down of mandatory regulation in favor of (corporate) self-regulation, and assigns a more important role to the private sector in societal problem-solving, while envisioning a reduced role of governments (now as facilitators). Consequently, businesses are positioned as partners in addressing sustainability challenges and contributing to development. This is often presented as the business case for sustainable development, i.e., the mutual benefit for companies and sustainable development goals arising from the active engagement of companies. Following this discourse, the neoliberal paradigm is thought to be consistent with the resolution of sustainability challenges, which also implicates that sustainability challenges are only considered within this paradigm.

Some scholars have already indicated that global governance arrangements, particularly partnerships, increasingly portray a fundamentally neoliberal agenda (e.g. Falkner, 2003; Miraftab, 2004; Utting and Zammit, 2009). This dissertation has revealed that the neoliberal agenda is mirrored in three key conceptual underpinnings of partnerships. Firstly, partnerships, in a reciprocal interplay, promote as well as reflect the increased importance of businesses, but also of stakeholders from civil society. This is suggested to counteract the inability of traditional governmental command and control approaches to solve cross-border sustainability challenges in the context of globalization and uncertainty. As a result, partnerships claim a role as new instruments for global governance and development through the involvement of public and private actors. Secondly, partnerships epitomize the decreased importance of governments. While in theory, governments may remain important actors in public-private arrangements, in practice, governments, particularly from producer countries, are conspicuously underrepresented in partnerships. Governance functions are oftentimes exercised by purely private partnerships between business and civil society organizations, or by partnerships that have at least a prevailing private character. The decreased importance of governments also manifests in the fact that partnerships primarily act as change agents at the global and local levels, but not at the national level. Thirdly, partnerships represent a managerial approach to solving sustainability challenges, which emphasizes market-based norms of demand-orientation and self-regulation. This can best be seen in the popularity of standards among many partnerships, which are deemed as important means to incorporate sustainability values into commodity chains.

The embodiment of core neoliberal values by partnerships creates considerable friction due to the complex relationship between the neoliberal agenda and certain developmental concerns, or, in simpler terms, between business and development. This can be elucidated by taking a critical look at the three main elements of partnerships mentioned above.

Firstly, partnerships seek to exploit the changing role of business in society to attain sustainable development goals and contribute to international development. This endeavor, however, seems to result in partnerships being increasingly business-driven. The important role of companies allows them to strategically use partnerships to address concerns relevant to them, such as the development of new markets or the securing of supply. It also enables them to expand their sphere of influence on sustainable development issues without changing their predominantly economic role. The business-drivenness of partnerships is consolidated by other actors involved, which seem to partially mimic the discourse of business and emphasize the importance of market-based change. Secondly, the role of governments decreases, given their relatively weak participation in partnerships, which risks leading to their exclusion from shaping the notion of development. This is also a territorial question, as it implies that important decisions regarding production issues are often made far away from the actual country of production. Finally, it was determined that standards do not represent neutral tools, but rather typify new social practices that have ambiguous implications for producers and serve to focus on particular issues, while detracting attention from other issues.

This neoliberal orientation of partnerships appears to marginalize certain development concerns, such as the issue of smallholder empowerment, the costs and benefits of different certification schemes, or the implications of partnerships for the poorest segment of producers. Other developmental concerns are not addressed at all. For instance, partnerships do not question the structure underlying global commodity chains, although it is generally recognized that the resulting patterns of power and resource distribution have significant consequences for the situation of smallholder farmers. This illustrates the tension in the relationship between business and development, despite the claim of many partnerships to contribute to positive development outcomes. The dominance of business objectives over certain development concerns shows that partnerships are constrained in their capacity to re-shape this relationship without external incentives. Ultimately, they will mostly reinforce current structures and adjust them, but it is unlikely that the incremental change pursued by many partnerships, even if accumulated over time, would lead to a more fundamental change.

This section is not intended to read as a plea against the involvement of business in partnerships. Rather, it aims to highlight the tensions within partnerships due to the difficult relationship between the neoliberal orientation of partnerships and certain development concerns. This indicates that such concerns cannot be addressed through a collaborative attempt to make a business case, as is the underlying assumption of partnerships. As a result, it might be hypothesized that the resolution of such issues would require a political struggle of social contestation rather than collaboration in order to re-negotiate the relationship between business and development. Businesses cannot be expected to commence such a struggle against their self-interests and their framing of problems. Therefore, it would appear that, given the active role of NGOs in initiating the partnership trend by challenging firm behavior, it depends mostly on NGOs to re-politicize their interactions with businesses, and achieve a broader framing of the sustainability problems than businesses are willing to endorse.

7.6 Moving forward: outlook on Partnering for Change in Chains

The previous sections have argued that partnerships create and seek to mainstream new practices, which focus on technological change and performance at the production level. While many partnerships promote standards as competitive strategies to safeguard the application of the new practices, other partnerships link up in networks and exchange resources to facilitate sustainable change. However, the benefits for producers are often uncertain as partnerships largely operate in a business-driven and top-down mode, and do not address certain development concerns, such as the strengthening of organizational capital. This leads us to a reflection on the possible ways in which to improve the partnership practice both from a governance perspective and from a development perspective.

7.6.1 Improving the capacity of partnerships from a governance perspective

In view of the recent increase of partnerships, one of the main challenges for partnerships is to coordinate their activities, i.e., to shift their interactions from competition to collaboration to avoid overlap, enhance their outreach and take advantage of potential creative synergies. The global cocoa sector constitutes a kind of prototype for such a shift towards collaboration among partnerships, whereas the case of coffee showed that partnerships compete with each other due to their reliance on sustainability standards. Just a few years ago, the cocoa sector was considered to be lagging behind the coffee sector in terms of sustainability efforts, which had significantly more partnerships, featured more sustainability standards (with greater market share), and attracted more publicity, particularly to the activities of large coffee companies. While there are still fewer cocoa than coffee partnerships, the cocoa sector has taken a different development path in terms of sustainability initiatives since then, which in some respects outshines the achievements of coffee partnerships. Chapter 6 revealed how linkages between partnerships have evolved over recent years, which are used to transfer information, knowledge, finances and services across partnerships. Amongst others, the presence and functional implications of linkages can be attributed to the explicit focus of many partnerships on issues other than promoting standards, to the involvement of all large industry stakeholders, and to the performance of a meta-governance role by the World Cocoa Foundation. In this way, the formation of networks of partnerships might present a further step towards governing complex cross-border sustainability issues. This discovery opens up interesting areas for future research.

Firstly, the linkages between partnerships need to be further explored in terms of their implications for the capacity of partnerships to promote sustainable change. It was suggested that partnerships increasingly align their activities and methods as a result of the linkages. Chapter 6 was cautiously optimistic about such alignment of practices, but further analysis is needed into the extent to which the linkages between partnerships act as catalysts for innovation and transformation. If these 'isomorphic tendencies' among partnerships persist in the coming years, it is crucial to gain an understanding of their consequences for the innovative capacity of partnerships, both from a governance perspective, looking at the chain-wide steering function of partnerships, and from a development perspective, studying the impacts on smallholder producers.

Secondly, linkages between partnerships have so far only been observed in the global cocoa sector. This does not imply that they are completely absent in the coffee and cotton sectors. However, institutional linkages between partnerships seem more unlikely due to the rootedness of most coffee partnerships and all cotton partnerships in the use of standards. Moreover, a neutral meta-governance organization, such as the World Cocoa Foundation, is lacking. On the other hand, some of the NGOs, aid agencies and companies active in the network of partnerships in the global cocoa sector are also involved in coffee and cotton partnerships. This indicates the possibility of linkages among partnerships, and warrants further investigation into the connectedness of partnerships, not only along different commodity chains, but also across commodity chains. Such a focus would broaden the scope from individual commodities to a more holistic approach on sustainable commodity chains. Possible research areas include an analysis on the extent to which partnerships contribute to the scaling out of knowledge and information across commodities, or an exploration of the development of cross-commodity (regional) partnerships.

7.6.2 Improving the capacity of partnerships from a development perspective

The previous sections argued that the restrictions of partnerships from a development perspective stem from the difficulty of adequately taking into account the complexity of promoting sustainable change within a neoliberal development paradigm. Many partnerships pursue market-driven change and focus on the development and functioning of markets which internalize rules for sustainable commodity production and open up opportunities for smallholder participation. This pragmatic view of sustainable change, however, is subject to different limitations, suggesting that it is not able to fully capture the conditional nature of positive development outcomes. This calls for a re-conceptualization of partnerships. Sustainable change implies not only creating models for change that focus on relatively short-term objectives of overcoming technical constraints at the production level and facilitating the inclusion of smallholders into commodity chains, but also addressing critical factors that may hinder a long-term positive impact of partnerships. Earlier it was suggested that much of relates to the question of how partnerships construct the relationship between the neoliberal agenda and certain development objectives. Hence, a shift in this relationship is required in order to improve the capacity of partnerships from a development perspective.

However, for partnerships to conduct such a shift deeper insights are required into this relationship and thus, into the mechanisms at work that determine the nature of partnerships' effects. This might be achieved by delineating specific types of partnerships. The nuances among partnerships, for instance in terms of problem conceptualization, actors, issue areas and intensity of activities, should be further explored in order to find out which partnership types hold promise from a development perspective. This could not only have direct benefits for the partnership practice, but could also deliver valuable insights for a refined theory on partnerships.

At the same time, a widening of the conceptual tools with which to study partnerships might prove helpful in order to attain a more people-centered view on partnerships and their effects on producers. This could serve to pinpoint the tensions in the relationship between business and development. Studies might, for instance, have much to gain from the integration of a rights-based approach as a perspective from which to evaluate partnerships. This approach views the violation of human rights at the root of poverty and other sustainability challenges. Applying such an approach may be useful to illuminate the complexities of change processes at the production level and highlight possible contradictory elements of different partnership models, for instance by examining the power dynamics of partnership interventions. This might help in rethinking certain underlying assumptions of partnerships on the relationship between business and development, and thus, facilitate a re-politicized approach towards the sustainability challenges of global agricultural commodity chains.

Appendix

Interviews chapter 2

No.	Sector	Organization	Interviewee	Position	Date	Type
1.	Certification NGO	Rainforest Alliance	Aerts, J.	European Network Coordinator	09.08.2006	Amsterdam
2.	Certification NGO	Rainforest Alliance	Pedersen, L.	Coffee Program Manager, Costa Rica	21.02.2007	Telephone interview
3.	Certification NGO	Utz Certified	Lania, C.	Marketing Manager	15.02.2006	Amsterdam
4.	Certification NGO	Utz Certified	Simons, L.	Marketing Director	15.02.2006	Amsterdam
5.	NGO	Oxfam Novib	Mechielsen, F.		18.07.2006	The Hague
6.	NGO	Oxfam Novib	Verburg, J.	Senior Policy Advisor Corporate Social Responsibility	21.06.2006	The Hague
7.	NGO	Max Havelaar	Harmsen, J.	Product specialist coffee and cocoa	10.08.2006	Amsterdam
8.	NGO	Koffiekoalitie	Panhuysen, S.	Project coordinator	21.06.2006	The Hague
9.	NGO	Solidaridad	Perk, H.	Coordinator of coffee program	19.06.2006	Utrecht
10.	Business	Starbucks Coffee Company	Mecklenburg, S.	Vice President Sustainable Procurement Practices	22.03.2007	Telephone interview
11.	Business/ Foundation	Sara Lee International	Miltenburg, S.	Manager, Sustainable Business	12.10.2006	Utrecht
12.	Business/ Foundation	Rabobank Foundation	van der Velden, I.	Executive staff Latin America and Asia	09.10.2006	Utrecht
13.	Partnership	Common Code for the Coffee Community (4C)	Rutten, M.	Project Manager	10.08.2006	Amsterdam
14.	Producer association	Eastern African Fine Coffees Association (EAFCA)	Gitao, P.	Executive Director	16.01.2008	Telephone interview
15.	Producer association	Zambia Coffee Growers' Association	Taguma, J.	General Manager	17.01.2008	Telephone interview
16.	Research	Agricultural Economics Research Institute (LEI)	Danse, M.	Scientist/researcher	23.10.2006	Den Haag
17.	Research	Centro Internacional de Política Económica para el Desarrollo Sostenible, Costa Rica	Díaz Porras, R.	Director General	29.05.2006	Telephone interview
18.	Research	University of Amsterdam (UvA)	Kolk, A.	Director of the Amsterdam graduate Business School	12.06.2006	Amsterdam

Interviews chapter 3

No	Sector	Organization	Interviewee	Position	Date	Location
1.	Producer association	Junta Nacional del Café (JNC)	Lorenzo Castillo Castillo	General Manager	08.06.2008	Lima
2.	Producer organization	CAC Oro Verde	Dario Díaz Quispe	President of the electoral committee	12.06.2008	Lamas
3.	Producer organization	CAC Oro Verde	Hiderico Bocángel	General Manager	12.06.2008	Lamas
4.	Producer organization	Asociación Agroecológica Valle Verde	Harold Ramirez Messias & Tamy Varcas Díaz	Certification manager & Field technician	10.06.2008	Moyobamba
5.	Producer organization	CAC Sostenible Valle Ubiriki	Martín García	Gerente	25.06.2008	Pichanaki
6.	Producer organization	CAC Sostenible Valle Ubiriki	Luis Aguilar Quilca	President	23.06.2008	
7.	Producer organization	Asociación de Productores Sostenibles Yanesha (APSY)	César Huancho Joaquín	Project promoter in Nagazu	24.06.2008	Nagazu
8.	Producer organization	Central de Cooperativas del Valle de Sandia (CECOVASA)	Miguel Paz López	Commercial manager	05.06.2008	Lima
9.	Producer organization	Central Fronteriza del Norte de Cafetaleros (CENFROCAFÉ)	Teodomiro Melendres Ojeda	General Manager	14.07.2008	Jaén
10.	Producer organization	Central Piurana de Cafetaleros (CEPICAFÉ)	José Segundo Rojas Hernández	General Manager	17.07.2008	Piura
11.	Producer organization	Central de Productores Agroecológicos Pichanaki (CEPROAP)	Elizabeth Villa Junco	General Manager	23.06.2008	Pichanaki
12.	Producer organization	Central de Asociaciones de Productores Agropecuarios La Coipa (Coicafe)	Hugo Huáchez Cruz	General Manager	15.07.2008	La Coipa
13.	Producer organization	Asociación Central de Productores de Café de Pichanaki (ACPCP)	Robert Orozco	General Manager	25.06.2008	Pichanaki
14.	Business association	Cámara Peruana del Café y Cacao (CPCC)	Eduardo Montauban Urribe	General Manager	04.07.2008	Lima
15.	Business association	Cámara Peruana del Café y Cacao (CPCC)	Lourdes Córdova	Cupper	01.07.2008	Lima
16.	Business association / business – trader	Cámara Peruana del Café y Cacao (CPCC) / COEX Peru SA	Luis Guillermo Navarro Vascones	General Manager	03.07.2008	Lima
17.	Business	Ede Consulting	Efraín Carrión	Ede Consulting	14.07.2008	Jaén

				Enlace Perú, Project manager		
18.	Business - trader	Prodelsur	Antonio Arbe	Commercial manager	04.06.2008	
19.	Donor	German Technical Cooperation (GTZ)	Manuel Rojas Rueda	Programa Desarrollo Rural Sostenible, Asesor Técnico Componente Cadenas de Valor Sostenibles	03.07.2008	Lima
20.	Donor	German Technical Cooperation (GTZ)	Nelson Larrea	Technical consultant value chains	18.07.2008	Piura
21.	Donor	United States Agency for International Development (USAID) – Proyecto de Reducción y Alivio a la Pobreza (PRA)	Mauricio Moscoso Bartra & Inés Ardiles Guerrero	Director de los Centros de Servicios Económicos, Chemonics & Coordinadora Centros de Servicios Económicos – Sierra Chemonics	23.07.2008	Lima
22.	Donor	USAID – Programa de Desarrollo Alternativo (PDA)	José Gamarra Tong	Gerente de Fortalecimiento de Organizaciones	24.07.2008	Lima
23.	Certification NGO	Utz Certified	Ezio Varese	Field representative of Utz Certified in Peru	10.06.2008	Moyobamba
24.	NGO	Programa Integral Para el Desarrollo del Café (PIDECAFE)	Raúl Adán Tineo Torres	Coordinator of NORCAFE	18.07.2008	Piura
25.	NGO	SOS Faim	Wilfredo Necochea Tello	Representative of SOS Faim Peru	21.07.2008	Lima
26.	NGO	Agrónomos y Veterinarios sin fronterras (VSF-CICDA)	César Paz López	Country representative Peru	04.07.2008	Lima
27.	Government	Fondo de Cooperación para el Desarrollo Social (FONCODES)	Walter de la Cruz	Responsible for projects in La Merced	08.07.2008	Lima
28	Government	Fondo de Cooperación para el Desarrollo Social (FONCODES)	José Luis Aranguena	Responsible for project in Amazonas	08.07.2008	Lima
29.	Government	FONCODES/Ministerio de Agricultura, San Martín	Aquiles Claudio Soto	Project manager	12.07.2008	Moyobamba
30.	Government	INCAGRO (Innovación y Competitividad para el Agro Peruano)	Richard Luis Martínez Paredes	Especialista en Sistemas de Información, Unidad de Políticas, Seguimiento y Evaluación (UPSE)	17.06.2008	Lima
31.	Government	Ministerio de Agricultura (MINAG)	Jorge Figueroa Rojas	Promoción Agraria, Team leader coffee	06.06.2008	Lima

Interviews chapter 5

No.	Interviewee	Partnership	Type & date	No. of quotes
Respondent 1	Senior project manager of Common Fund for Commodities	Expert interview	Interview 26 June 2009	(Conceptual framework)
Respondent 2	Representative of development agency	Cotton made in Africa	Phone interview 9 July 2009	3
Respondent 3	Representative of development NGO	Helvetas et al. Mali, Burkina Faso & Benin	Phone interview 16 July 2009	4
Respondent 4	Representative of development consultancy	Helvetas & GTZ Benin	Phone interview 13 August 2009	4
Respondent 5	Representative of development foundation	Cotton made in Africa	Interview 20 August 2009	4
Respondent 6	Representative of development foundation	Cotton made in Africa	Interview 20 August 2009	2
Respondent 7	Representative of development finance institution	Cotton made in Africa	Phone interview 4 Sept 2009	4
Respondent 8	Representative of development NGO	Helvetas et al. Mali & Burkina Faso	Interview 7 Sept 2009	2
Respondent 9	Representative of cotton trader	Lango Organic Cotton Project	Phone interview 14 Sept 2009	3
Respondent 10	Representative of development NGO	Lango Organic Cotton Project	Interview 15 Sept 2009	2
Respondent 11	Executive director of Better Cotton Initiative	Expert interview	Phone interview 16 Sept 2009	(Conceptual framework)
Respondent 12	Representative of cotton trader	Helvetas et al. Mali, Burkina Faso & Benin; Cotton made in Africa	Phone interview 5 March 2010	3

Given the sensitivity of the data collected and the upper management nature of interviewees, all identity-revealing information, including organization and location of interviewees, is kept anonymous.

Interviews chapter 6

No.	Sector	Organization	Name	Position	Date	Location
1.	Business - trader	Daarnhouwer	Willem Bolk	Director - Cocoa	2009	*Amsterdam
2.	Business – trader	Twin and Twin Trading	Chris Penrose Buckley	Producer Partnership Programme Manager	2009	*Phone interview
3.	Business – association	World Cocoa Foundation	Bill Guyton	President	2009	*Phone interview
4.	Business – trader	Pronatec	Isreal Pisetsky	Representative Peru	23 July 2008	Lima
5.	Business – retailer	Starbucks	Pablo Ramirez	Ethical Sourcing Manager, Sustainable Agriculture, Global Responsibility	10 June 2010	*Phone interview
6.	Donor	GTZ	Catherine Vogel	GTZ Programme Office for Social and Ecological Standards	2009	*Phone interview
7.	Donor	GTZ	Frank Bremer	GTZ coordinator	2009	*Email interview
8.	Donor	GTZ	Nelson Larrea	Technical consultant value chains	18 July 2008	Piura
9.	Donor	USAID/ Chemonics	José Gamarra Tong	Gerente de Fortalecimiento de Organizaciones	24 July 2008	Lima
10.	Certification NGO	Utz Certified	Daan de Vries	Program Manager Cocoa	2009	*Amsterdam
11.	Certification NGO	Rainforest Alliance	Edward Millard	Senior Manager for Sustainable Landscapes	2009	*London & phone interview
12.	NGO	Solidaridad	Nico Roozen	Director	2009	*Utrecht
13.	NGO	Pro Mundo Humano	Hans Grebe	Coordinator of Pro Mundo Humano	2009	*Phone interview
14.	NGO	ACDI/VOCA	TJ Ryan	Managing director, Specialty Crops	2009	*Phone interview
15.	Producer association	APPCacao Peru	Gilberto Larrea Tello	General Manager	30 June 2008	Lima
16.	Producer association	Cocoa Producers' Alliance (COPAL)	Sona Ebai	Secretary General	01 June 2010	Phone interview
17.	Government	Ministry of Agriculture, Peru	Carmen Rosa Chávez Hurtado	Promoción Agraria: Team leader cocoa	24 July 2008	Lima
18.	Research	Inter-American Institute for Cooperation on Agriculture (IICA)	Jaime Mansilla Rivera	Asistente del Proyecto ACCESO	30 June 2008	Lima

* Interviews conducted by Luli Pesqueira

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Summary

Introduction and research question

Intersectoral partnerships have become increasingly common in global agricultural commodity chains since the 2002 UN World Summit on Sustainable Development in Johannesburg. Partnerships refer to collaborative, institutionalized arrangements between actors from two or more sectors of society – state, market and civil society –, which aim at the provision of collective goods. While proponents consider partnerships as innovative mechanisms to overcome single actor failure in the context of globalization, opponents refer to the unproven track record of partnerships and view them as a reinforcement of old power imbalances and neoliberal discourses. Both the governance and the development literature pick up this debate and study partnership as new tools for (global) governance and (international) development. However, both strands of literature leave open important questions surrounding the capacity of partnerships to deliver on their proposed added value. Considering this gap in knowledge, the dissertation poses the following research question:

What is the capacity of partnerships to promote sustainable change in global agricultural commodity chains, how does this capacity manifest itself, and to what extent does it depend on the strategies, institutional context and network relations of partnerships?

The dissertation aspires to answer this question by means of five empirical chapters, which each shed light on different aspects of the capacity of partnerships to promote sustainable change. The concept of capacity is introduced as an outcome-oriented concept, which is defined as the ability of partnerships to promote sustainable change in global agricultural commodity chains by means of pursuing distinct strategies and performing distinct functions. This ability is recognized to be partly influenced by the embeddedness of partnerships in the institutional context and horizontal network relationships. Sustainable change in agricultural commodity chains is specified as shift in the configuration and functioning of the chains that addresses the sustainability challenges associated with them.

The global coffee, cotton and cocoa chains serve as main fields of application to analyze the capacity of partnerships. All three chains are characterized by various sustainability challenges, including environmental degradation, abundant use of agrochemicals, poor working conditions, and widespread poverty. These sustainability challenges can be translated in a 'development problem' and an interrelated 'governance problem' of commodity chains. The development problem is manifest in the struggle of millions of cash-constrained smallholder farmers and workers in developing countries to sustain their livelihoods in the face of increasing environmental degradation, unfavorable market access and lacking support services in rural areas. The governance problem is exposed by the inherent difficulties to protect environmental and human resources, and to facilitate the inclusion of smallholder farmers. Thus, partnerships can be viewed in the context of a development problem and a governance problem to which they potentially contribute.

Empirical chapters

Chapter 2 commences the investigation into partnerships in global agricultural commodity chains. Taking the coffee chain as an example, the chapter explores the role of partnerships with the help of Global Commodity Chain analysis and Convention Theory. By means of production standards, partnerships are able to influence sustainability challenges at the production level. However, these partnerships show an imbalance in actor involvement, compete with each other and mainly create a parallel production integrated into the conventional chain. While being important initiators of change, partnerships are unable to turn the coffee chain into a sustainable chain.

Chapter 3 focuses on the local level effects of partnerships on smallholder producers and their organizations. The chapter develops a conceptual framework rooted in the asset-based approach to study these effects, and applies the model to six partnerships in different coffee growing regions of Peru. It is concluded that partnerships stimulate the application of sustainability standards and therefore emphasize human capital development of farmers to facilitate certification. Whilst this holds potential for increased revenues, other assets of producer organizations are not strengthened sufficiently for them to operate successfully without further external support.

Chapter 4 seeks to contribute to theory on partnerships for smallholder inclusion in value chains by connecting the organizational features of partnerships to the outcome dimension of smallholder inclusion. Regarding the outcome dimension, the chapter elaborates on the institutional challenges that hinder smallholders from participating in value chains. To link the organizational features to the outcome capacity of partnerships, four propositions are formulated and applied to 13 partnerships dealing with smallholder inclusion in Africa and Latin America. While considerable differences are discerned in the degree to which the partnerships address institutional constraints, this variation cannot be well explained by the organizational characteristics of partnerships.

Chapter 5 examines intersectoral partnerships formed to promote sustainable cotton production and the extent to which such partnerships are facilitated or constrained by their institutional environment. Based on an analysis of five partnerships in sub-Saharan Africa, this chapter shows that institutional factors create both opportunities and obstacles for partnership implementation which are inextricably linked to their adoption of particular farming strategies and sustainability standards. In general, these institutional factors tend to facilitate the implementation of partnerships using contract farming and mainstream sustainability standards, and hinder those adopting cooperative farming methods and organic standards.

Chapter 6 moves away from the dominant case study approach in the literature on partnerships, and explores the emergence of networks of partnerships in the global cocoa sector. 55 partnerships are studied in order to analyze the linkages between them, their evolution over time, as well as the simultaneous occurrence of cooperation and competition. The chapter discovers that the partnerships are connected to each other through overlapping memberships of organizations and increasingly also through institutional linkages, channeling the flow of resources and reinforcing the capacity of individual partnerships. The impact of the linkages is enhanced through a meta-governance organization, which steers and coordinates the broader sustainability efforts of the cocoa industry.

Conclusions and reflection

In line with the two main strands of literature used in the dissertation, the conclusions on the capacity of partnerships are framed from a governance perspective (partnerships as governance tools) and from a development perspective (partnerships as development tools). To a large extent, these perspectives correspond to a chain-wide focus ('governance') versus a production level focus ('development').

The capacity of partnerships from a governance perspective

From a governance perspective, the capacity of partnerships refers to their ability to solve a 'governance problem' of global agricultural commodity chains, that is, the lack of governance mechanisms to ensure the sustainable production and trade of commodities. Partnerships address the governance problem to varying degrees by contributing to the spread of sustainability values, implementing activities at the production level aiming at the transfer of technical skills, establishing private rules for commodity production, or creating linkages to each other, thereby reproducing institutional opportunities. By fulfilling these functions, partnerships act as important agents for technological change which improves the production processes and can also benefit smallholder farmers, who receive training and possibly higher prices for their produce. The new practices promoted by partnerships not only affect the production level, but also take on a chain-wide function if coupled with competitive standards or if embedded into collaborative networks. Both options, however, do not change the existing power asymmetries along commodity chains between large buyers and smallholder producers.

The capacity of partnerships from a development perspective

While the governance perspective is largely positive about partnerships in global commodity chains, various restrictions to the capacity of partnerships become visible when viewing partnerships from a development perspective. This perspective studies the capacity of partnerships in the context of a 'development problem' of commodity chains, referring to the situation at the production level which is characterized by wide-spread poverty, environmental degradation and labor exploitation. Seen from this perspective, the capacity of partnerships remains limited due to their inability to empower smallholder farmers, the ambiguous implications of the use of standards for producers, the focus on incremental and not radical change, and the questionable durability of partnerships' achievements. The benefits for producers often remain unclear, especially due to the burdens created by the emphasis of many partnerships on certification. Thus, partnerships follow a rather top-down approach to promoting sustainable change that focuses on transferring market requirements and technical knowledge. This results in a relatively narrow interpretation of sustainable change, which is both shaped by and critically dependent on the market.

Partnerships and the neoliberal agenda

The differing conclusions on the capacity of partnerships from these two perspectives can be explained by the fact that partnerships fit into and largely embody the neoliberal agenda, which raises specific questions, particularly from a development perspective.

The dissertation revealed that the neoliberal agenda is mirrored in three key conceptual underpinnings of partnerships, which each create considerable friction with certain development objectives. Firstly, partnerships, in a reciprocal interplay, promote as well as reflect the increased importance of businesses, but also of stakeholders from civil society. While this is suggested to counteract the inability of traditional governmental approaches, the endeavor of exploiting the changing role of business in society seems to result in partnerships being increasingly business-driven. Businesses are able to strategically use partnerships to address concerns relevant to them and to expand their sphere of influence on sustainable development issues without changing their predominantly economic role. Secondly, partnerships epitomize the decreased importance of governments, since governments, particularly from producer countries, are conspicuously underrepresented in partnerships, and since partnerships primarily act as change agents at the global and local levels, but not at the national level. This risks leading to the exclusion of governments from shaping the notion of development, and it implies that important decisions regarding production issues are often made far away from the actual country of production. Thirdly, partnerships represent a managerial approach to solving sustainability challenges, which can best be seen in the popularity of standards among many partnerships. However, standards do not represent neutral tools, but rather typify new social practices that have ambiguous implications for producers and serve to focus on particular issues, while detracting attention from other issues.

This neoliberal orientation of partnerships appears to marginalize certain development concerns, such as the issue of smallholder empowerment, the costs and benefits of different certification schemes, or the implications for the poorest segment of producers. Other concerns are not addressed at all, such as the patterns of power and resource distribution underlying global commodity chains. The dominance of business objectives over development concerns shows that partnerships are constrained in their capacity to reshape the relationship between business and development without external incentives. Ultimately, they might adjust current structures, but it is unlikely that the incremental change pursued by many partnerships would lead to a more fundamental change.

This indicates that such certain development concerns cannot be addressed through a collaborative attempt, but rather requires a political struggle of social contestation in order to re-negotiate the relationship between business and development. Given the active role of NGOs in initiating the partnership trend by challenging firms' behavior, it depends mostly on NGOs to re-politicize their interactions with businesses, and achieve a broader framing of the sustainability problems than businesses are willing to endorse.

Improving the capacity of partnerships from a governance perspective

In view of the recent increase of partnerships, one of the main challenges for partnerships is to coordinate their activities, i.e., to shift their interactions from competition to collaboration to avoid overlap and take advantage of potential creative synergies. The global cocoa sector constitutes a kind of prototype for such a shift towards collaboration among partnerships, which together form a network of partnerships. This finding opens up interesting areas for future research. Firstly, further analysis is needed into the extent to which the linkages between partnerships act as catalysts for innovation and transformation. Secondly, the connectedness of partnerships should be explored beyond the cocoa sector, not only along, but also across different commodity chains, to study the role of partnerships in the scaling out of knowledge, information and technology.

Improving the capacity of partnerships from a development perspective

Earlier it was suggested that a shift in the relationship between the neoliberal agenda and certain development objectives is required in order to improve the capacity of partnerships from a development perspective. However, for partnerships to conduct such a shift deeper insights are required into this relationship and thus, into the mechanisms at work that determine the nature of partnerships' effects. This might be achieved by delineating specific types of partnerships. Furthermore, a widening of the conceptual tools might prove helpful in order to attain a more human-centered view on partnerships, for instance through the application of a rights-based approach. This approach might be useful to illuminate the complexities of change processes at the production level and highlight possible contradictory elements of different partnership models. This might help to rethink certain underlying assumptions of partnerships and facilitate a re-politicized approach towards the sustainability challenges of global agricultural commodity chains.

Samenvatting

Inleiding en onderzoeksvragen

Sinds de Wereldtop van de Verenigde Naties over Duurzame Ontwikkeling in Johannesburg in 2002 hebben intersectorale partnerships in mondiale agrarische productketens een grote vlucht genomen. Het begrip ‘partnership’ verwijst naar geïnstitutionaliseerde vormen van samenwerking tussen overheden, vertegenwoordigers van de private sector en maatschappelijke organisaties gericht op het realiseren van publieke goederen. Terwijl voorstanders partnerships verwelkomen als innovatieve antwoorden op de uitdagingen van processen van globalisering die niet langer door één actor kunnen worden aangepakt, wijzen tegenstanders op het onbewezen succes van partnerships en zien zij deze arrangementen als versterkingen van oude machtsonevenwichtigheden en neoliberale discoursen. Zowel de literatuur over governance als de literatuur over ontwikkelingsvraagstukken hebben dit debat opgepakt. Zij bestuderen partnerships als nieuwe instrumenten voor (mondiale) sturing en (internationale) ontwikkeling. Wat betreft het vermogen van partnerships om toegevoegde waarde te leveren laten beide echter belangrijke vragen open. Gegeven de leemten in kennis, richt deze dissertatie zich op de volgende onderzoeksvraag.

Wat is het vermogen van partnerships om mondiale agrarische productketens te verduurzamen, hoe manifesteert zich dit, en in welke mate spelen de strategieën, de institutionele omgeving en de netwerkrelaties van de partnerships daarbij een rol?

Deze vraag wordt beantwoord in vijf empirische hoofdstukken die elk bepaalde aspecten van deze vraagstelling belichten. ‘Vermogen’ worden begrepen als een resultaat-georiënteerd concept, dat de geschiktheid van partnerships weerspiegelt om duurzame veranderingsprocessen in mondiale agrarische productketens te bevorderen door middel van bepaalde strategieën en bepaalde functies. Dit vermogen wordt mede beïnvloed door de institutionele context waarin partnerships zich ontwikkelen en de horizontale relaties tussen partnerships. ‘Verduurzaming van productketens’ heeft betrekking op veranderingen in de structuur en functie van productketens teneinde de duurzaamheidproblemen op te lossen.

Als toepassingsgebieden voor de analyse van partnerships zijn de mondiale koffie, katoen en cacao productketens gekozen. Deze ketens worden gekenmerkt door diverse duurzaamheidsproblemen, zoals milieudegradatie, hoog gebruik van chemicaliën, slechte arbeidsomstandigheden en wijdverbreide armoede. Deze duurzaamheidsproblemen kunnen worden begrepen als een ontwikkelingprobleem en een samenhangend governance-probleem. Het ontwikkelingprobleem manifesteert zich in de strijd van miljoenen kleinschalige boeren en landbouwarbeiders in ontwikkelingslanden voor hun levensonderhoud tegen de achtergrond van milieubederf, beperkte toegang tot de markt en het gebrek aan marktgeoriënteerde diensten in landelijke gebieden. Het governance-probleem is zichtbaar in de moeilijkheid om ecologische en menselijke hulpbronnen in ontwikkelingslanden te beschermen en om boeren een adequate toegang tot lucratieve markten te verschaffen. Daardoor kan het vermogen van partnerships voor duurzame verandering worden gezien in het kader van een ontwikkelings- en een governance-vraagstuk.

Empirische hoofdstukken

Hoofdstuk 2 bestudeert partnerships in de koffieketen. Met behulp van de Global Commodity Chain Analysis en de Convention Theory worden 12 partnerships in de koffieketen geanalyseerd. Het hoofdstuk toont aan dat partnerships met hun standaarden verschillende duurzaamheidsproblemen op productieniveau aanpakken. Er is echter sprake van een zekere onbalans in de betrokkenheid van actoren. Ook is sprake van competitie tussen partnerships. De partnerships blijken overwegend nichemarkten te creëren. Hoewel de partnerships belangrijke initiatiefnemers van veranderingsprocessen zijn, is hun vermogen om de koffieketen te verduurzamen, vooral ten opzichte van systeemrelevante problemen, doorgaans beperkt.

Hoofdstuk 3 beantwoordt de vraag welke effecten partnerships hebben op kleinschalige boeren en hun organisaties. Het hoofdstuk ontwikkelt een 'asset-based' conceptueel kader om de effecten te bepalen en omvat een analyse van zes partnerships in verschillende regio's in Peru waar koffie wordt verbouwd. Het onderzoek toont aan dat partnerships het gebruik van duurzaamheidstandaarden bevorderen. De nadruk ligt daarbij op het bevorderen van het vermogen van producenten om certificering te realiseren. Hoewel dit tot een versterking van de inkomens van kleine producenten kan leiden, blijven bepaalde sociale aspecten onderbelicht, waardoor de producenten zonder aanvullende steun moeilijk een betere marktpositie kunnen realiseren.

Hoofdstuk 4 beoogt een bijdrage te leveren aan de theorie over partnerships door het verbinden van bepaalde organisatorische kenmerken met bepaalde resultaten van partnerships. Wat betreft de resultaten analyseert het hoofdstuk de institutionele factoren die boeren belemmeren om in productketens deel te nemen. Om de organisatorische kenmerken en de uitkomsten van partnerships te koppelen, worden vier hypothesen geformuleerd en toegepast op 13 partnerships die markttoegang van kleine producenten in Afrika en Latijns Amerika beogen te bevorderen. Hoewel er behoorlijke verschillen blijken te zijn in de mate waarin partnerships de institutionele belemmeringen voor boeren aanpakken, kunnen deze verschillen nauwelijks met de organisatorische kenmerken van partnerships worden verklaard.

Hoofdstuk 5 analyseert in hoeverre het vermogen van partnerships om de katoenproductie te verduurzamen door externe institutionele factoren ondersteund of beperkt wordt. Gebaseerd op een studie van vijf Afrikaanse partnerships laat het onderzoek zien dat voornamelijk partnerships die coöperatieve landbouw en biologische/Fairtrade standaarden bevorderen aan beperkende institutionele factoren zijn onderworpen. Partnerships die met contractlandbouw en mainstream-georiënteerde standaarden voor duurzaamheid werken, passen beter in de huidige structuren van de katoenindustrie en hebben een groter potentieel voor opschaling. Deze resultaten tonen de hechte relatie tussen de ontwikkeling en verspreiding van partnerships en de regelgevende structuur van de katoenindustrie.

In hoofdstuk 6 verschuift de aandacht van de dominante case study benadering in de literatuur naar netwerken van partnerships. 55 Partnerships in de mondiale cacaosector worden bestudeerd om de verbanden tussen hen te analyseren, de ontwikkeling daarvan in de tijd te bepalen, en het gelijktijdige voorkomen van samenwerking en concurrentie te analyseren. Uit de analyse blijkt dat partnerships met elkaar in verband staan door overlappende lidmaatschappen van partnerorganisaties en in toenemende mate ook door directe institutionele relaties, die een uitwisseling van diensten, financiële middelen en informatie tot gevolg hebben. De impact van de relaties tussen partnerships wordt versterkt door een meta-governance organisatie, die leden van het netwerk met betrekking tot algemene netwerkdoelen stuurt en coördineert.

Conclusies en reflectie

In overeenstemming met de twee belangrijkste literatuurstromingen van dit proefschrift, zijn de conclusies over het vermogen van partnerships vanuit een governance-perspectief (partnerships als governance-instrumenten) en vanuit een ontwikkelingsperspectief (partnerships als ontwikkelingsinstrumenten) benaderd. In belangrijke mate komen deze perspectieven overeen met een ketenfocus ('governance') versus een productiefocus ('ontwikkeling').

Het vermogen van partnerships vanuit een governance-perspectief

Vanuit een governance-perspectief verwijst het vermogen van partnerships naar de oplossing van een governance-probleem van mondiale productketens, dat wil zeggen, het gebrek aan governance mechanismen om de duurzame productie en handel van landbouwproducten te garanderen. Partnerships richten zich in verschillende mate op dit governance-probleem door bij te dragen aan de verspreiding van duurzaamheidswaarden, door verschillende activiteiten uit te voeren op productieniveau gericht op de overdracht van technische vaardigheden, door standaarden voor duurzame productie te steunen, of door het vormen van relaties met elkaar om institutionele mogelijkheden te creëren. Door het vervullen van deze functies fungeren partnerships als belangrijke initiatiefnemers van een technologische verandering die de productieprocessen verbetert en die bevorderlijk voor kleinschalige boeren kan zijn indien deze opleiding en eventueel hogere prijzen ontvangen voor hun producten. De nieuwe praktijken die worden gepromoot door partnerships hebben ook invloed op de hele productketen als ze worden gecombineerd met duurzaamheidstandaarden of geïntegreerd in partnershipnetwerken. Beide opties veranderen echter niet de bestaande machtsonevenwichtigheden tussen grote bedrijven en kleinschalige producenten.

Het vermogen van partnerships vanuit een ontwikkelingsperspectief

Terwijl het vermogen van partnerships vanuit een governance-perspectief overwegend positief kan worden beoordeeld, komen verschillende beperkingen van dit vermogen naar voren als partnerships worden geanalyseerd vanuit een ontwikkelingsperspectief. Dit perspectief begrijpt het vermogen partnerships als een ontwikkelingsprobleem op productieniveau; een probleem dat wordt gekenmerkt door wijdverbreide armoede, milieudegradatie en uitbuiting van arbeiders. Vanuit dit perspectief blijken partnerships een beperkte invloed te hebben, gezien hun onvermogen om de machtspositie van kleinschalige boeren te versterken, de wat ambigue gevolgen van het gebruik van standaarden voor producenten, de focus op incrementele in plaats van radicale veranderingen, en de levensduur van de partnerships. De voordelen van producenten blijven vaak onduidelijk als gevolg van de certificeringlasten die de vele partnerships introduceren. Partnerships volgen een overwegend top-down benadering, die voorts wordt gekenmerkt door de overdracht van technische kennis, om een duurzame ontwikkeling te bevorderen. Dit resulteert in een beperkte interpretatie van duurzame verandering die vooral marktgeoriënteerd is.

Partnerships en de neo-liberale agenda

De conclusies over het vermogen van partnerships vanuit de twee perspectieven kan begrepen worden vanuit het gegeven dat partnerships vooral de neo-liberale agenda promoten. Deze constatering roept vooral vragen op met betrekking tot het ontwikkelingsperspectief.

De neo-liberale agenda komt tot uitdrukking in drie conceptuele inbeddingen van partnerships. Elk creëert fricties met betrekking tot bepaalde ontwikkelingsdoelen. In de eerste plaats promoten en reflecteren partnerships het belang van het bedrijfsleven, in wisselwerking met die van vertegenwoordigers van maatschappelijke organisaties. Hoewel dit de traditionele overheidssturing lijkt te corrigeren en beoogt de veranderende rol van het bedrijfsleven te constitueren, lijkt dit toch vooral te resulteren in partnerships die door de belangen van het bedrijfsleven worden geleid. Het bedrijfsleven is instaat strategisch gebruik te maken van partnerships om hun belangen veilig te stellen en hun invloed op onderwerpen van duurzame ontwikkeling te versterken, zonder de primaire economische rol aan te passen. In de tweede plaats reflecteren partnerships de verminderde invloed van overheden. Overheden, voornamelijk van productielanden, zijn overwegend ondervertegenwoordigd in partnerships. Er is een risico dat zij nauwelijks invloed hebben op de vormgeving van een ontwikkelingsperspectief en belangrijke beslissingen over productie ver van het land van productie worden genomen. In de derde plaats vertegenwoordigen partnerships een management benadering die vooral tot uitdrukking komt in de populariteit van standaarden. Echter, standaarden zijn niet neutraal maar reflecteren sociale praktijken die bepaalde onderwerpen versterken en andere niet, en daardoor voor producenten tot ambigue implicaties kunnen leiden.

De neo-liberale benadering van partnerships lijkt bepaalde ontwikkelingsvraagstukken te marginaliseren, zoals de versterking van de positie van kleine boeren, de kosten en baten van verschillende certificeringen, of the gevolgen voor de allerarmste producenten. Andere vraagstukken blijven geheel uit beeld, met name de machtsverhoudingen die aan mondiale pruductketens ten grondslag liggen. De dominantie van de belangen van het bedrijfsleven en de onderbelichting van ontwikkelingsdoelen toont aan dat partnerships beperkt zijn in hun vermogen de relatie tussen bedrijfsleven en ontwikkeling fundamenteel te veranderen zonder externe incentives. Partnerships leiden tot aanpassingen van de bestaande structuren, maar het is niet waarschijnlijk dat de incrementele verandering ook tot een meer fundamentele verandering leidt.

Bepaalde ontwikkelingsdoelen kunnen zeer waarschijnlijk niet met een op samenwerking gerichte benadering worden bereikt. Zij vereisen een politieke strijd waarin de relatie tussen bedrijfsleven en ontwikkeling fundamenteel opnieuw wordt doordacht en onderhandeld. Gegeven de actieve rol die NGOs spelen in het initiëren van partnerships zal het vooral van hun vermogen tot politisering van hun relaties met het bedrijfsleven afhangen of dit leidt tot een verbreed duurzaamheidsconcept.

Verbeteren van het vermogen van partnerships vanuit een governance perspectief

Gegeven de sterke groei van het aantal partnerships is een van de grootste uitdagingen de coördinatie van de vele activiteiten. Teneinde overlap te voorkomen en synergie te bevorderen dienen de competitieve interacties tussen partnerships plaats te maken voor meer op samenwerking gerichte interacties. De cacao sector levert hier voor een prototype met het ontwikkelde netwerk van partnerships. Deze bevinding van het onderzoek opent interessante nieuwe onderzoeksvelden. In de eerste plaats is er de vraag of de relaties tussen partnerships als katalysatoren kunnen werken voor innovatie en verandering. In de tweede plaat is verder onderzoek nodig naar relaties tussen partnerships in andere productsectoren en over verschillende productsectoren heen. Met name is daarbij de vraag of dit leidt tot verbeterende kennis, informatie en technologie-uitwisseling.

Verbeteren van het vermogen van partnerships vanuit een ontwikkelingsperspectief

Eerder is gesuggereerd dat, teneinde het vermogen van partnerships te versterken om bij te dragen aan ontwikkelingsdoelen, een verandering noodzakelijk is in de relatie tussen de neo-liberale agenda en bepaalde ontwikkelingsdoelen. Voor de mogelijkheden van partnerships om dit te realiseren is meer inzicht vereist in de mechanismen die de aard van de effecten van partnerships bepalen. Dit kan worden bereikt door verschillende typen partnership te onderscheiden. Ook kan worden gedacht aan een conceptuele verbreding van partnerships door toepassing van de ‘rights-based' benadering. Deze benadering kan de complexiteit van veranderingen op productieniveau en tegengestelde elementen in verschillende partnership modellen verhelderen. Ook draagt dit bij aan de heroverweging van assumpties van partnerships en faciliteert dit een meer politieke benadering van de duurzaamheidsuitdagingen in mondiale agrarische productketens.

Zusammenfassung

Einleitung und Forschungsfrage

Sektorübergreifende Partnerschaften in globalen Agrarwertschöpfungsketten haben seit dem Weltgipfel für nachhaltige Entwicklung in Johannesburg 2002 stetig an Bedeutung gewonnen. „Partnerschaften" werden hierbei definiert als eine institutionalisierte Form der Zusammenarbeit zwischen öffentlicher Hand, Privatwirtschaft und Zivilgesellschaft mit sozialer und/oder ökologischer Zielsetzung im Sinne des Gemeinwohls. Während Befürworter Partnerschaften als innovative Antworten auf die Herausforderungen der Globalisierung gutheißen, verweisen Gegner auf die unklare und nicht nachgewiesene Erfolgsbilanz von Partnerschaften und prangern diese als Verstärkungen alter Machtungleichgewichte und neoliberaler Diskurse an. Sowohl die Governance- als auch die Entwicklungsliteratur beschäftigen sich mit dieser Debatte und betrachten Partnerschaften als Governance- bzw. Entwicklungsinstrumente. Beide Literaturrichtungen lassen jedoch wichtige Fragen zum Potential von Partnerschaften, den in sie gerichteten Erwartungen gerecht zu werden, unbeantwortet. Angesichts dieser Wissenslücke stellt die Dissertation die folgende Forschungsfrage:

Wie ist das Potential von Partnerschaften zur Förderung von nachhaltigen Veränderungsprozessen in globalen Agrarwertschöpfungsketten, wie äußert sich dieses Potential, und inwiefern hängt es von den Strategien, dem institutionellen Umfeld sowie den Netzwerkbeziehungen von Partnerschaften ab?

Diese Frage soll durch fünf empirische Kapitel beantwortet werden, die jeweils über andere Aspekte des Potentials von Partnerschaften Aufschluss geben. „Potential" soll im Sinne eines ergebnisorientierten Begriffs verstanden werden, welcher die Eignung von Partnerschaften widerspiegelt, nachhaltige Veränderungsprozesse in globalen Agrarwertschöpfungsketten durch die Verfolgung bestimmter Strategien und die Ausführung bestimmter Funktionen zu fördern. Dieses Leistungsvermögen wird teilweise durch institutionelle Rahmenbedingungen und durch horizontale Beziehungen zwischen Partnerschaften beeinflusst. „Nachhaltige Veränderungsprozesse" wiederum beziehen sich auf eine Veränderung in der Struktur und Funktion von Wertschöpfungsketten zur Lösung der damit verbundenen Nachhaltigkeitsprobleme.

Anwendungsbereiche für die Analyse von Partnerschaften sind die globalen Kaffee-, Baumwoll- und Kakaowertschöpfungsketten. Alle drei Wertschöpfungsketten sind von vielfältigen Nachhaltigkeitsproblemen gekennzeichnet. Diese umfassen beispielsweise Umweltzerstörung, Verlust von Artenvielfalt, erheblicher Gebrauch von Pestiziden und Düngemitteln, schlechte Arbeitsbedingungen und weit verbreitete Armut. Die Nachhaltigkeitsprobleme lassen sich in ein Entwicklungs- und ein zusammenhängendes

Governance-Problem von Agrarwertschöpfungsketten übertragen. Das Entwicklungsproblem zeigt sich in den Schwierigkeiten von Millionen von Kleinbauern und Landarbeitern in Entwicklungsländern ihre Existenzgrundlage im Angesicht von Umweltzerstörung, Ressourcenausbeutung, nachteiligem Marktzugang und fehlenden marktorientierten Dienstleistungen in ländlichen Gegenden zu sichern. Das Governance-Problem wird sichtbar in der offenkundigen Schwierigkeit, ökologische und menschliche Ressourcen in Entwicklungsländern zu schützen und gleichzeitig Kleinbauern adäquaten Zugang zu lukrativen Märkten zu gewährleisten. Dementsprechend kann das „Potential" von sektorübergreifenden Partnerschaften zur Förderung nachhaltiger Veränderungsprozesse im Zusammenhang mit einem Entwicklungs- und einem Governance-Problem gesehen werden.

Empirische Kapitel

Kapitel 2 befasst sich mit dem Potential von Partnerschaften zur nachhaltigen Entwicklung von Wertschöpfungsketten, insbesondere durch die Beeinflussung der jeweiligen Governance-Strukturen, beizutragen. Als Fallstudien dienen zwölf Partnerschaften in der Kaffeewertschöpfungskette, welche mit Hilfe der Wertschöpfungsketten-Analyse (*Global Commodity Chain Analysis*) und der Theorie der Konventionen (*Convention Theory*) untersucht werden. Anhand des Einsatzes von Standards gelingt es Partnerschaften, verschiedene Nachhaltigkeitsprobleme auf Produktionsebene zu bewältigen. Gleichzeitig hat der Nachdruck auf Standards zur Folge, dass Partnerschaften miteinander in Konkurrenz stehen und größtenteils auf ein zunehmend vielfältigeres Spektrum von Nischenmärkten begrenzt sind. Zudem sind Partnerschaften durch eine unausgewogene Teilnahme von nördlichen und südlichen Partnerorganisationen gekennzeichnet. Obwohl Partnerschaften als wichtige Initiatoren von Veränderungsprozessen agieren, bleibt ihr Potential zur Förderung einer nachhaltigen Kaffeekette, vor allem in Hinblick auf systemrelevante Nachhaltigkeitsprobleme, beschränkt.

Kapitel 3 beschäftigt sich mit der lokalen Wirkung von Partnerschaften auf Kleinproduzenten und deren Organisationen. Um diese zu erfassen wird ein Analyserahmen entwickelt, der auf der Stärkung von fünf Kapitalarten beruht und auf sechs sektorübergreifende Partnerschaften in verschiedenen kaffeeproduzierenden Regionen Perus angewandt wird. Die Untersuchung zeigt, dass Partnerschaften die Anwendung von Nachhaltigkeitsstandards fördern und somit den Schwerpunkt ihrer Aktivitäten auf die Entwicklung des Humankapitals von Produzenten legen. Obwohl dieser Ansatz auch das Finanzkapital von Produzenten stärken kann, tragen Partnerschaften kaum zur Schaffung und Stärkung des Sozialkapitals von Produzenten bei. Diese Fokussierung auf unterschiedliche Kapitalarten legt den Kompromiss zwischen der Zertifizierung von Produzenten und der Befähigung von Produzentenorganisationen zur Selbstständigkeit offen.

Kapitel 4 versucht einen Beitrag zur Theorie über Partnerschaften zu leisten, indem es bestimmte organisatorische Merkmale von Partnerschaften mit ihrem Leistungsvermögen, die Einbeziehung von Kleinproduzenten in Wertschöpfungsketten zu fördern, verbindet. Dieses Leistungsvermögen von Partnerschaften bezieht sich auf das Ausmaß, in welchem sie die institutionellen Einschränkungen, die die Teilnahme von Kleinbauern in Wertschöpfungsketten erschweren, bewältigen. Um die organisatorischen Merkmale mit dem Leistungsvermögen zu verbinden, werden vier Hypothesen entwickelt und bei 13 Partnerschaften getestet. Obwohl jeweils deutliche Unterschiede bei Partnerschaften hinsichtlich des Umgangs mit institutionellen Einschränkungen erkennbar sind, scheint diese Diskrepanz nur bedingt durch die organisatorischen Merkmale erklärbar zu sein.

Kapitel 5 untersucht Partnerschaften zur der Förderung nachhaltiger Baumwollproduktion. Ziel ist es herauszufinden, inwiefern das Potential von Partnerschaften durch externe institutionelle Faktoren verstärkt oder eingeschränkt wird. Basierend auf einer Analyse von fünf Partnerschaften im subsaharischen Afrika zeigt dieses Kapitel, dass das institutionelle Umfeld sowohl Möglichkeiten als auch Hindernisse für Partnerschaften bereit hält, welche untrennbar mit den Produktionsstrategien und Nachhaltigkeitsstandards von Partnerschaften verbunden sind. Insbesondere Partnerschaften, die eine genossenschaftliche Produktion und biologische oder Fairtrade-Standards unterstützen, werden von institutionellen Faktoren negativ beeinflusst. Partnerschaften hingegen, die Vertragsanbau und am Massenmarkt orientierte Nachhaltigkeitsstandards fördern, fügen sich besser in die nationale Baumwollindustrie ein und haben somit ein erhöhtes Verbreitungs- und Ausdehnungspotential. Diese Ergebnisse zeigen den engen Zusammenhang zwischen der Entwicklung und Verbreitung von Partnerschaften und der regulativen Struktur der Baumwollindustrie.

Kapitel 6 rückt von der in der Literatur vorherrschenden Fallstudienmethodik ab und erfasst 55 Partnerschaften des globalen Kakaosektors, um die Verbindungen zwischen ihnen, die Entstehung solcher Verbindungen und das gleichzeitige Auftreten von Kooperation und Konkurrenz zu erforschen. Es wird herausgefunden, dass Partnerschaften durch überschneidende Mitgliedschaften von Partnerorganisationen und in zunehmendem Maße auch durch institutionelle Verbindungen miteinander verflochten sind, welche Dienstleistungen, finanzielle Ressourcen und Informationen zwischen den Partnerschaften transferieren. Hierdurch ist ein globales Partnerschaftsnetzwerk entstanden. Die Auswirkungen der Verbindungen zwischen Partnerschaften werden durch eine Meta-Governance-Organisation verstärkt, welche die Netzwerkteilnehmer in Bezug auf allgemeine Netzwerkziele steuert und deren Aktivitäten koordiniert.

Fazit und Reflektion

In Übereinstimmung mit den zwei relevanten Literaturströmungen dieser Dissertation werden die Schlussfolgerungen über das Potential von Partnerschaften zuerst von einer Governance-Perspektive (Partnerschaften als Governance-Instrument) und anschließend von einer Entwicklungsperspektive (Partnerschaften als Entwicklungsinstrument) formuliert. Diese Perspektiven entsprechen überwiegend einem wertschöpfungsketten-umfassenden (‚Governance') und einem produktionsspezifischen (‚Entwicklung') Schwerpunkt.

Das Potential von Partnerschaften aus der Governance-Perspektive

Aus einer Governance-Perspektive liegt das Potential von Partnerschaften in ihrem Leistungsvermögen zur Lösung des Governance-Problems von globalen Wertschöpfungs-ketten, sprich dem Fehlen von Steuerungsmechanismen zur Sicherstellung von nachhaltiger Produktion und Handel. Partnerschaften bewältigen dieses Governance-Problem in unterschiedlichen Ausmaßen durch die Verbreitung von Nachhaltigkeitswerten, durch Aktivitäten auf Produktionsebene, die auf den Transfer von technischen Fähigkeiten zielen, durch private Regelgebung für nachhaltige Produktion, oder durch institutionelle Verbindungen untereinander zur Erweiterung der institutionellen Möglichkeiten. Durch diese Funktionen nehmen Partnerschaften eine wichtige Rolle als Initiatoren für technologischen Wandel ein, welcher die Produktionsprozesse verbessert und sich durch Ausbildungsmaßnahmen und höhere Preise für zertifizierten Kaffee positiv auf Kleinbauern auswirken kann. Daneben erhalten die von Partnerschaften geförderten neuen Sozialpraktiken eine wertschöpfungskettenweite Funktion, wenn sie mit der Verwendung von Standards kombiniert oder in kooperative Netzwerke eingebaut werden. Beide Möglichkeiten lassen jedoch die herrschenden Machtsungleichgewichte entlang Wertschöpfungsketten zwischen Käufern und Kleinbauern unverändert.

Das Potential von Partnerschaften aus der Entwicklungsperspektive

Während die Governance-Perspektive das Potential von Partnerschaften vornehmlich positiv evaluiert, lässt die Entwicklungsperspektive verschiedene Einschränkungen bezüglich ihres Potentials sichtbar werden. Diese Perspektive analysiert das Potential von Partnerschaften im Hinblick auf ein Entwicklungsproblem von Wertschöpfungsketten, das sich auf die von Armut, Umweltzerstörung und Ausbeutung gekennzeichnete Situation auf Produktionsebene bezieht. Aus einer Entwicklungsperspektive bleibt das Potential von Partnerschaften aufgrund ihres Unvermögens, Kleinbauern zu ermächtigen and der ambivalenten Auswirkungen von Standards auf Produzenten begrenzt. Gleichzeitig tragen der Schwerpunkt von Partnerschaften auf schrittweiser anstelle von tiefgreifender Veränderung und die fragwürdige Beständigkeit ihrer Erfolge zu einer kritischen Beurteilung bei. Der Nutzen für Kleinbauern bleibt oft ungewiss, insbesondere aufgrund der hohen finanziellen Belastung, die aus dem Nachdruck von Partnerschaften auf Zertifizierung resultiert. Demzufolge verfolgen Partnerschaften einen Top-Down-Ansatz um nachhaltige Veränderungsprozesse zu bewirken, welcher auf der Übermittlung von Marktanforderungen und technischer Fähigkeiten basiert. Dieser Ansatz läuft auf eine begrenzte Auslegung von nachhaltigen Veränderungsprozessen hinaus und ist stark beeinflusst und gleichzeitig abhängig von der Reaktion des Marktes.

Partnerschaften und die neoliberale Agenda

Diese abweichenden Schlussfolgerungen über das Potential von Partnerschaften hängen damit zusammen, dass Partnerschaften eine neoliberale Agenda verkörpern, die besonders aus einer Entwicklungsperspektive verschiedene Fragen aufwirft.

Die Ergebnisse der Dissertation lassen erkennen, dass sich die neoliberale Agenda in drei Schlüsselmerkmalen von Partnerschaften widergespiegelt, welche jeweils beträchtliche Reibungen mit bestimmten Entwicklungszielen erzeugen. Erstens sind Partnerschaften gleichzeitig Antrieb sowie auch Spiegelbild für das zunehmende Gewicht von Interessensvertretern aus Wirtschaft und Zivilgesellschaft für die Lösung gesellschaftlicher Probleme. Obwohl dieses eigentlich dem Scheitern traditioneller, staatlicher Steuerungsansätze entgegen wirken soll, scheint das Unterfangen, sich die ändernde Rolle des Marktes zu Nutze zu machen, hauptsächlich zu einer Art Vorherrschaft von Wirtschaftsbelangen in Partnerschaften zu führen. Firmen verstehen es Partnerschaften strategisch für ihre Zielsetzungen und für eine Ausdehnung ihres Einflussbereiches auf Nachhaltigkeitsfragestellungen einzusetzen. Zweitens sind Partnerschaften ein Inbegriff der schwindenden Bedeutung von Regierungen. Einerseits sind Regierungen, vor allem aus Entwicklungsländern, in Partnerschaften auffallend unterrepräsentiert. Andererseits verfolgen Partnerschaften ihre Agenda der Veränderung zumeist auf globaler und lokaler, nicht aber auf nationaler Ebene. Dieses riskiert den Ausschluss von Regierungen in der Formgebung von Entwicklungsprozessen und hat zur Folge, dass Entscheidungen, deren Auswirkungen vorwiegend auf Produktionsebene spürbar sind, oft weit weg von den Produktionsländern getroffen werden. Drittens verkörpern Partnerschaften einen Managementansatz für die Lösung von Nachhaltigkeitsproblemen, was sich anhand der Beliebtheit von Standards zur Erfassung von Nachhaltigkeitswerten in Wertschöpfungsketten ablesen lässt. Die Ergebnisse dieser Dissertation lassen jedoch den Schluss zu, dass Standards keine neutralen Instrumente sind, sondern neue Sozialpraktiken darstellen, die ambivalente Auswirkungen auf Produzenten haben und lediglich bestimmte Probleme erfassen.

Die neoliberale Orientierung von Partnerschaften impliziert, dass bestimmte Entwicklungsziele an den Rand gedrängt werden. Dieses schließt die Ermächtigung von Kleinbauern, die Kosten und Nutzen bestimmter Nachhaltigkeitsstandards oder die

Auswirkungen von Partnerschaften auf die Gruppe der ärmsten Produzenten mit ein. Auf andere entwicklungsrelevante Fragen wird gar nicht eingegangen, beispielsweise auf die gängigen Machtsstrukturen in globalen Wertschöpfungsketten und der damit zusammenhängenden Situation von Kleinbauern. Die Dominanz von Wirtschaftsinteressen zeigt die Begrenzung des Potentials von Partnerschaften, das Spannungsverhältnis zwischen Wirtschafts- und Entwicklungszielen ohne externe Anreize neu zu gestalten. Letztendlich können Partnerschaften gegenwärtige Strukturen anpassen; es ist jedoch unwahrscheinlich, dass die sukzessiven Veränderungsprozesse von Partnerschaften eine tiefgreifende Veränderung von Wertschöpfungsketten nach sich ziehen können.

Dies wiederum bedeutet, dass bestimmte Entwicklungsziele nicht durch einen marktorientierten und kooperativen Ansatz erreicht werden können, sondern eine politische und konfliktfreudige Auseinandersetzung erfordern. Da NGOs eine tragende Rolle in der Auslösung des Partnerschaftstrends durch massive Kritik am Verhalten von Firmen gespielt haben, hängt es hauptsächlich von ihnen ab, ihr Zusammenspiel mit Firmen neu zu politisieren und eine breitere Problemauffassung von Partnerschaften zu fördern.

Partnerschaften aus der Governance-Perspektive: Implikationen und Forschungsfragen

In Anbetracht der jüngsten Zunahme von Partnerschaften ist die Koordinierung ihrer Aktivitäten eine der nächsten großen Herausforderungen, um Überschneidungen zu vermeiden und mögliche Synergien zu nutzen. Der globale Kakaosektor stellt eine Art Prototyp solcher Beziehungen zwischen Partnerschaften dar, die zusammen ein globales Partnerschaftsnetzwerk bilden. Diese Entdeckung weist auf verschiedene künftige Forschungsmöglichkeiten hin. Zum einen sollte geklärt werden, inwiefern die Beziehungen zwischen Partnerschaften förderlich für Innovation and Transformation sind. Zum anderen sollte die Existenz von Netzwerkbeziehungen auch entlang weiterer Wertschöpfungsketten untersucht werden, um die Rolle von Partnerschaften in der Verbreitung von Information und Expertise zu analysieren.

Partnerschaften aus der Entwicklungsperspektive: Implikationen und Forschungsfragen

Die Schlussfolgerungen dieser Dissertation legen eine Veränderung im Spannungsverhältnis zwischen neoliberaler Agenda und den erwähnten Entwicklungszielen nahe, um das Potential von Partnerschaften aus der Entwicklungsperspektive zu verbessern. Damit eine Verbesserung erreicht werden kann, ist ein tiefgreifendes Verständnis dieses Verhältnisses erforderlich, um so die Mechanismen zu bestimmen, die ausschlaggebend für die Beschaffenheit von Partnerschaftsergebnissen sind. Eine Abgrenzung verschiedener Partnerschaftstypen könnte hierfür ebenso hilfreich sein wie eine Erweiterung der konzeptionellen Mittel für eine menschzentrierte Untersuchung von Partnerschaften. Ein rechtebasierter Ansatz könnte zum Beispiel die komplexen Veränderungsprozesse auf

Produktionsebene sowie mögliche widersprüchliche Elemente verschiedener Partnerschaftstypen veranschaulichen. Dieses könnte ein Überdenken der grundlegenden Annahmen von Partnerschaften erleichtern und somit ein neu politisiertes Herangehen an die Nachhaltigkeitsprobleme globaler Agrarwertschöpfungsketten ermöglichen.

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In Erinnerung an meinen Vater.

Utrecht, December 2010.

Curriculum Vitae

Verena Bitzer was born in Ulm, Germany, on March 20, 1982. She completed her secondary education, which included a six months stay at the United Christian Academy in Vermont/USA, at the Johannes-Althusius-Gymnasium in Emden in 2001. Three years later, in 2004, she received her Bachelor's degree in European Studies (political science, human geography and law) from the University of Osnabrück. The field work for her Bachelor thesis on energy supply in peri-urban areas in Southern Africa was conducted in Malawi in cooperation with Mzuzu University. After spending a year completing internships in Sweden at the German embassy and in Malawi within a community project, she started her graduate studies at Utrecht University, where she obtained her Master of Science in Sustainable Development (environmental policy and management) in 2007. Already working on the topic of 'partnerships for sustainable development' for her Master thesis, she was able to turn this into a PhD research at Utrecht University in the Department of Innovation and Environmental Sciences, as part of the Utrecht-Nijmegen Programme on Partnerships (UNPOP). In 2008, she conducted two months of field research in Peru in cooperation with the Peruvian Chamber for Coffee and Cocoa. Since October 2008, she has also cooperated with the Dutch Development Policy Review Network on the issue of value chain governance and endogenous growth.