

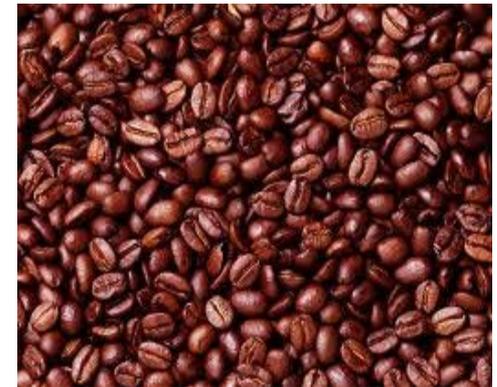
Social and economic effects of partnering for sustainable change in agricultural commodity chains: A Southern perspective

Prof. Dr. Pieter Glasbergen

Prof. Dr. Bustanul Arifin

International Centre for Integrated assessment and Sustainable development / ICIS

What do we see here?



Certifying Partnerships

Collaborative arrangements in which actors from two or more spheres of society (State, Market and Civil Society) are involved in a non-hierarchical process through which these actors strive for a sustainability goal

The market mechanism can promote more sustainable practices through the leverage and spin-off of private-sector investments

Partnerships are changing the world of global governance

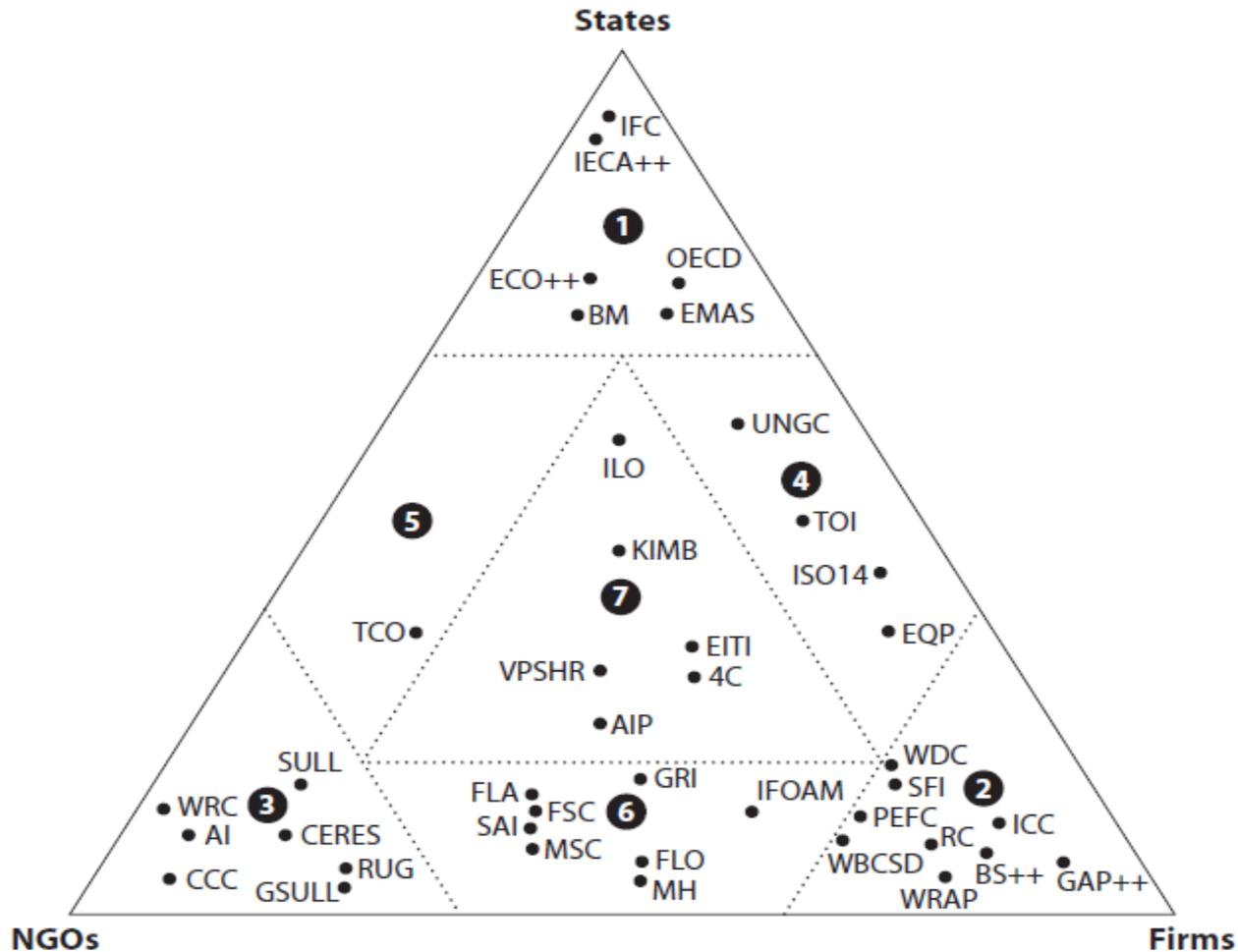
Partnership is what is needed in today's world, partnership between government and industry, between producers and consumers, between the present and the future. We need to build new coalitions. We must agree on a global agenda for the management of change (Brundtland).

By now we know that peace and prosperity cannot be achieved without partnerships involving governments, international organizations, the business community, and civil society. **In today's world we depend on each other** (Kofi Annan)

Addressing global challenges requires a collective and concerted effort, involving all actors. Through partnerships and alliances, and by pooling comparative advantages, we increase our chances of success (Ban Ki-Moon).

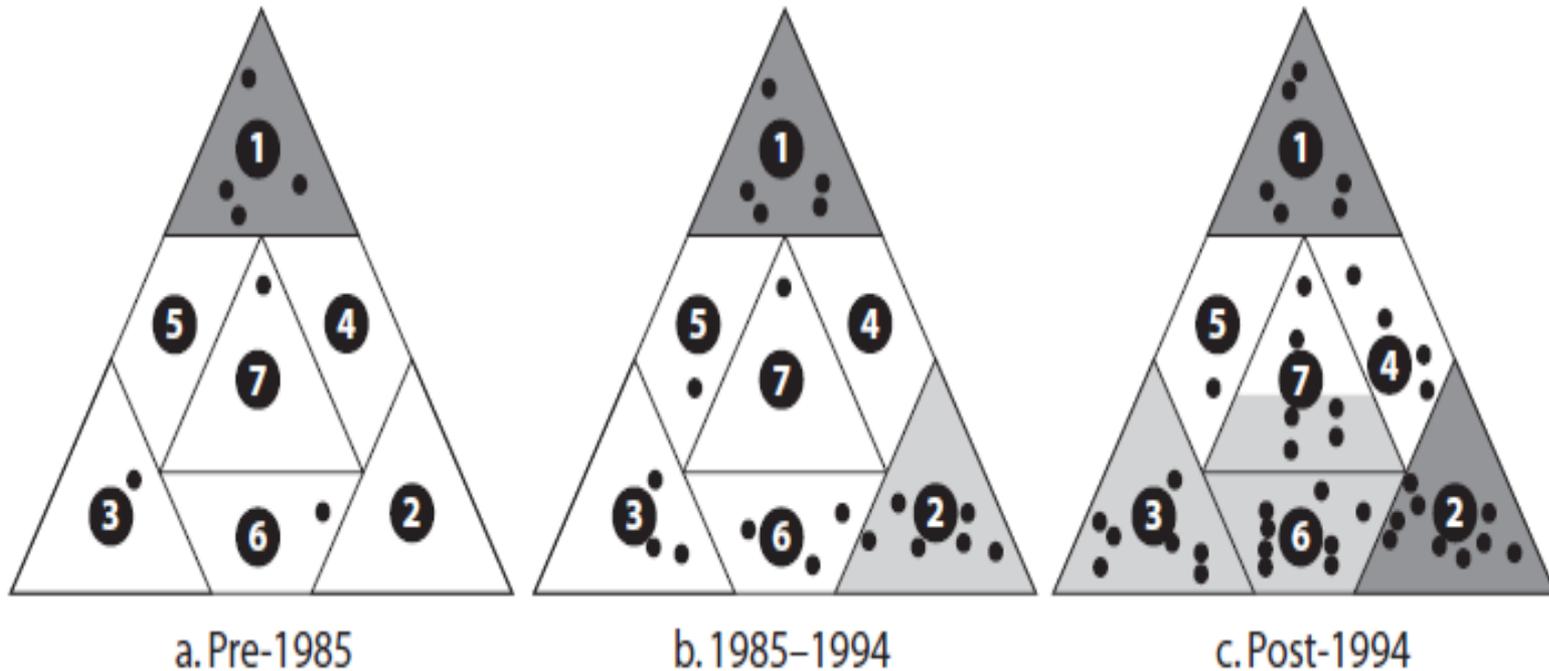
The Governance Triangle

(Abbott and Snidal, 2009)



Evolution of the Governance Triangle

The Governance Triangle • 33



The changing image of the manageable society

- **The classical image of the manageable society**

The governmental realm equates with public issues

- **The new image of the manageable society**

Public and private responsibilities are interdependent and mutually constructive

A strong state is not a state able to develop strict regulations, enforce rules, and impose sanctions, but one that is able to stimulate self-regulating capacities of stakeholders in societal sustainability problems, or at least is able to connect the private interests of these stakeholders to public objectives.

Triggering factors of certifying partnerships

- The concept of sustainable development
- Limits to the managerial capacities of governments
- Firms that are confronted with growing pressure for Corporate Social responsibility
- Professionalized NGOs change their strategy from mainly confrontational to collaborative

Social and economic effects widely debated

- **Proponents**

Partnerships might be a sensible solution based on the notion of shared responsibilities to address commodity-related development challenges, contribute to pro-poor growth and develop sustainable economies

- **Critics**

Refer to the unproven track-record of partnerships and view partnerships as a reinforcement of old power imbalances and neoliberal discourses

General confusion regarding the activities of partnerships in producing countries and what they achieve with regard to the beneficiaries they intend to serve

Review of literature

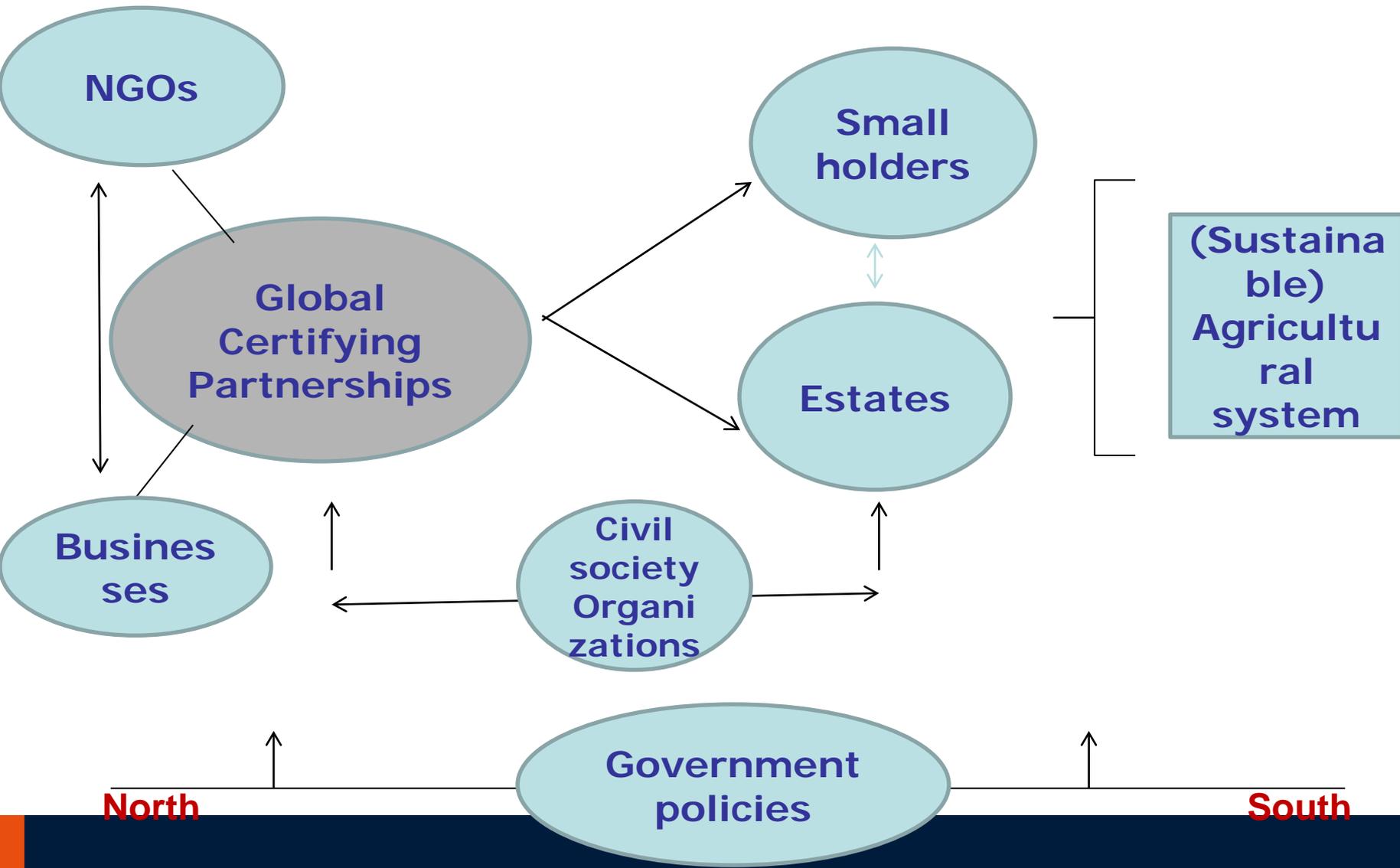
- The knowledge base in this area is till very thin, sparse and fragile in terms of scope, method and depth of coverage**
- Relatively little is known on crucial questions such as the actual effects of standards on producers' income, livelihoods and the environment**
- There exists a lack of robust methodologies in determining the effects of certification**
- Questions concerning the role of governments (and other societal actors) regarding private certification are not sufficiently addressed in current literature**
- Almost all empirical studies in this field are based on rather isolated qualitative case study approaches, carried out in Africa and Latin America..**

Objective of our research program

- To fill the knowledge gap on the capacity of global certifying partnerships to deliver on their proposed added value, particularly by analyzing the intended and unintended social and economic consequences of global certification for (smallholder) farmers in Indonesia.
- Based on the empirical research the program aims to formulate policy recommendations to improve the livelihood conditions of smallholders.



International Centre for Integrated assessment and Sustainable development / ICIS



Research questions

1. What are the social and economic effects of sustainability certification by global partnerships on the (smallholder) producer level?
2. How can these effects be understood in the system of interactions between the main actors in sustainability certification?
3. How can the positive social and economic effects, particularly regarding smallholders in global certifying partnerships, be improved?
4. What does this imply for the roles and strategies of governments related to global certifying partnerships?

5 PhDs and 1 Postdoc



Coffee, Palm oil, Spices, Aquaculture, Cocoa

- PhD1-2** Social and economic effects of global certifying partnerships
- PhD 3** Institutional economic analysis of global certifying partnerships
- PhD 4** Effective mobilization of Civil Society Organizations in global certifying partnerships
- PhD 5** Roles of governments related to certification of global agricultural chains
- Postdoc** Joint knowledge production in global certifying partnerships

**International Centre for Integrated assessment
and Sustainable development / ICIS**

Certifying Partnership in CPO



- Indonesia is the largest CPO producer, reaching about 23.5 million ton in 2011 and growing at 5,1%
- Productivity gap between smallholders and large-scale plantations is widening (2.86 ton/ha vs. 3.54 ton/ha).
- Palm oil industry supports regional development and poverty alleviation, in rural areas of Outside Java
- However, rapid expansion of large-scale plantation often triggers land-conflicts and declining natural forests, stimulating debates at the policy level
- Two main schemes for sustainability, RSPO & ISPO and possible enforceability at the field level;

The Coffee Economy and Certification Dynamics

- Indonesia is the **4th largest** coffee producer, after Brazil, Vietnam, and Columbia, but the **2nd largest** Robusta producer after Vietnam
- Coffee production in 2010 was 684,000 tons, a large decrease from about 791,000 tons of production in 2009.
- Many partnerships are adopted in Indonesia, but so far there is no clear endorsement from the Government on which partnership is best.
- How to make use of many certifications to reduce the tendency of single coffee buyer and the potentials of non-trade barriers for coffee.
- How to meet the demand from domestic markets and loyal customers.





International Centre for Integrated assessment and Sustainable development / ICIS

Thank you for your attention!

