

Politics of Private Standards: Briefing 1

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Private standards initiatives are not neutral technical instruments, but are imbued with politics. The power relations that are at the heart of establishing and sustaining a private standards initiative are rarely acknowledged. Yet analysing the power dynamics involved in private standards reveals how they are formed and evolve, the objectives and actors they include and the ones they might exclude.

Overview

•Suppliers in agri-food chains are required to comply with an ever-growing set of standards to secure market access. This project is concerned with diverse private standards initiatives (PSIs) and the actors involved in developing and monitoring these standards particularly those in developing countries.

•Focusing on fresh vegetables and cut flowers from Kenya, the research has explored what private standards and initiatives mean for 'governance' or the exercise of power.

•Our research highlights the powerful role of retailers and exporters in PSIs in this case, but also how actors such as donors have played a role in shaping these initiatives. We show how smallholders and workers have been effectively excluded from the debates and how other organisations such as NGOs that seek to speak for smallholders and workers are also constrained in the context of retailer power.

•Our fieldwork in Kenya demonstrates the limited ability of PSIs in this particular situation to instigate transformative change.



•There have been some improvements in how labour rights and good agricultural practices standards have been implemented and some changes to standards and audits reflect local conditions.

•However, the highly political nature of private standards and related institutions and the power inequalities involved means that the agenda with respect to many standards is how to ensure compliance rather than how to institutionalise improvements on farms.

The approach

The global value chain and the array of actors linked vertically through trading relationships was the starting point for scoping the study. Through an iterative process during phases of interviewing, workshops and documentary analysis, we identified key actors



both 'vertically' and 'horizontally' related to the chain (e.g. NGOs working with workers, local communities, auditors), thus extending the use of value chain analysis.

Governance of private standards initiatives

The first objective was to explore what PSIs aim to do and how they are governed in terms of those involved in their establishment and how they are incorporated into value chains. The processes of governance were then considered in more detail, i.e. who participates in these new spaces of participation and ethical regulation, where in the value chain they operate and the way in which the power associated with different actors affects the PSI.

Three kinds of analysis were undertaken:

- a) Formal governance structures
- b) PSIs as spaces for participation in the regulation of the value chain
- c) Power relations and future pathways for PSIs

a) Formal governance structures

In examining the formal governance structures, a framework was developed that differentiated between legislative, judicial and executive aspects of governance (see Box 3).

Box 2: What are PSIs?

The project refers to Private Standard Initiatives. The term initiatives is used as opposed to simply 'standards' as it is concerned not only with the requirements or contents of the standard but also the constellation of actors involved in developing, implementing and monitoring it, and the relations between them. Over the course of the project the focus moved from specific PSIs to a wider arena of action on labour rights and on good agricultural practice as it was recognised that to examine any one PSI it was necessary to consider the wider context of the politics of private standards

Box 1: The project

Research was carried out over a 3 year period (2007-10) in Europe (predominantly the UK) and Kenya, with participants representing stakeholders along the value chain from farm workers and smallholders to retailers. The aim of the research was to investigate the interrelationships between the stakeholders along the value chain and issues of governance in relation to the PSIs. Emphasis was placed on action on labour rights and Good Agricultural Practice in the Kenyan horticulture and cut flowers sector and covered Fairtrade GlobalGAP, HEBI (Horticulture Ethical Business Initiative) and KenyaGAP

Analysis of PSIs (see Box 2) suggests that it is with respect to legislative governance (who sets the rules and how) in particular, and to a lesser extent judicial governance (how conformity is assessed), that the horizontal dimensions of governance are apparent (e.g., non-value chain actors contributing to debates about the content of standards). But private sector players have the most influence in executive governance (how standards are implemented), although others such as donors, and international multi-stakeholder initiatives have an influence through their provision or withdrawal of support for the standards initiatives and shaping the debates.

b) PSIs as spaces for participation in regulation of the value chain

PSIs offer the possibility of greater participation and influence by two previously excluded groups:

Box 3: Key governance concepts

*Legislative- who sets the rules and how
Judicial – how conformity is assessed
Executive- how compliance is implemented*

smallholder farmers producing high value vegetables for European supermarkets and workers on large scale commercial farms exporting flowers and vegetables to European supermarkets. For example, GlobalGAP's Smallholder Ambassador Initiative explicitly aims to enable the smallholder voice to be part of GlobalGAP's standard setting processes and the KenyaGAP standard has been designed to ensure that GAP standards are achievable by small producers. Similarly the civil society campaigns in the flower sector and the development of Fairtrade certification have presented opportunities for worker voices to be heard in labour standards debates. We asked who participated in different 'ethical spaces' formed by private standards, where they were located in the value chain and whether the ethical spaces were open, closed or invited.

Our analysis highlights that power inequalities constrain the type of participation that has occurred and that new spaces may be 'claimed' but in the context of retailer power may change in nature and become 'closed'. Whilst the voice of the farmer or worker in shaping labour rights and GAP may feature in the rhetoric, the research indicates that the participation of farmers and workers is largely absent at present. Moreover, worker and smallholder awareness centres on the technical aspects of codes rather than social issues. Some of their concerns regarding terms of trading are not heeded.

However, there are differences between the standards initiatives. Some PSIs (e.g. Fairtrade) offer more space

for smallholder and worker voices and priorities, compared to others focusing on compliance with a narrower range of issues.

There may be the potential to develop greater participation in some instances, but to date workers and smallholders do not have power in the spaces of participation and ethical regulation of the value chains of which they are a part. Moreover, this needs to be considered in the light of other trends towards a more globalised approach to ethical standard setting and the priorities of buyers in the context of global sourcing.

c) Power relations and future pathways for PSIs

Ethical regulation can open up new spaces for participation, but these processes involve power struggles. More powerful actors can transgress these spaces, controlling discourse and material resources.

Box 3: Relevant PSIs covered in the project

Labour rights

HEBI: *The Horticulture Ethical Business Initiative was established in Kenya by a multi-stakeholder group in 2003 following an NGO-led labour rights campaign focusing on the cut flower sector. There have been no board meetings since 2008, but aspects of the HEBI code are being used in the horticulture industry.*

Fairtrade: *Since 2005, the Fairtrade Labelling Organisation International has had a standard for cut flowers which has become important in the Kenya-European supermarket cut flower value chain. The original FLO Fairtrade standard for cut flowers was established as a response to developments in Kenya.*

Good agricultural practice

GlobalGAP: *This is the main standard in operation in Kenyan export horticulture to assure the delivery of safe products to the consumer. It was originally developed by European supermarkets.*

KenyaGAP: *This standard was developed by a group led by the Fresh Produce Exporters Association of Kenya as a benchmarked local alternative to GlobalGAP.*

Cross-cutting initiatives

The Kenya Flower Council *has a code of practice that covers both worker issues and good agricultural practice and is bench-marked to GlobalGAP.*



A value chain constructed by workshop participants, September 2008

The trajectory of the Horticulture Ethical Business Initiative (HEBI) was a key example examined by research team. Moving beyond simple stakeholder categories of NGOs, retailers, donors and trade unions, the research team explored hidden, discursive and overt power dynamics between factions and also reached across scales, spaces, place and time. By examining the power dynamics of the private standard system reveals important dynamics of technicisation and concentration of power.

Globally powerful retailers have shifted to compliance and risk-management dominated approaches in agri-food chains rather than substantial investment and efforts to transform labour rights, e.g. SEDEX and the Global Social Compliance Programme.

Conclusions

• Too often development and business debates about private standards fail to take account of the power dynamics at work. Analysis of the power dynamics in private standard initiatives reveals the particular trajectories, struggles and processes of negotiation involved in each standard and between the standards affecting the same actors in agri-food value chains – in a context of economic global integration and increasing retailer power.

• Southern standards and participatory social auditing were promoted by many as a means to improve the effectiveness of PSIs in securing minimum standards and making them more responsive to local needs. Yet the trend appears to be moving away from this to compliance oriented, technicised approaches. Although NGO and media pressure can open up new spaces for participation in ethical regulation – ensuring that these spaces are transformative is difficult in the context of increased retailer power and can actually strengthen their position.

• Analysing the different dimensions of PSIs (e.g. formal governance dimensions), the different types of power at work, the nature of new spaces (invited, claimed, closed), the scale at which different actors operate and the places in which PSIs are implemented and co-produce outcomes, helps to reveal the true potential and limitations of PSIs, especially at the local level.

• Our analysis of governance processes in the UK-Kenya value chain indicates that new spaces can be opened up for participation by a broader range of stakeholders. However, the dominant narratives of the private sector tend to hold sway, presenting private standards as *the* route forward for ethical regulation. Challenging this discourse is critical in finding alternative solutions that can transform worker and smallholder lives and environments. However, only service-oriented NGOs have been able to participate and have not been able to challenge the boundaries of action.

• Different countries and value chains may provide sufficiently different institutional contexts for greater participation and influence by workers, smallholders and other groups, but in the Kenyan cut flowers and vegetables context there is currently very limited pressure being exerted by these groups aimed at real transformation.

• It is important to enhance the *political literacy* of all those involved in PSIs so that their potential and limitations are better understood.

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<http://see.leeds.ac.uk/typo3/thepoliticsofprivatestandards/>

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