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The Influence of Civil Society Initiatives for the Development of Business Standards

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Overview

- Setting the context
 - Sustainable consumption perspective
 - Possibilities of (northern) consumers to influence the food chain
 - Role of NGO's
 - The example of the coffee market
- Forms of civil society initiatives
 - Setting up own standard
 - Public blaming and shaming
 - Independent business standards
 - Collaborating with business
- Advantage and shortage of the different approaches
- Conclusion

Sustainable consumption perspective

Consumption:

Viewpoint mainly from the position of western concerned consumers

Sustainable:

environmental soundness and social equity

Possibilities of (northern) consumers to influence the food chain

Act on the market

purposeful decision for a specific product

Passively boycotting a specific product

Social engagement

active boycott via demonstration and other protest activities

membership and financial support for NGO's

Role of NGO's

- Advocate for consumer interest
 - For food which is better for the consumer
 - For food consumers require for ethical reasons
- Advocate for “third parties” without or weak own voice
- Advocate in their own interest

The example of the coffee market

- Until 1989 coffee market was regulated, then the International Coffee Agreement fell apart
- Since then the market is in the hand of market actors
- Asymmetric power structures
- Fight for market shares among the traditional producer countries and Vietnam as a newcomer
- Coffee important commodity in the fair trade movement from the early 1970
 - minimum price paid to the producer is main criterion
- Need to leave the niche and to develop a standard to go mainstream

NGOs setting up own standards (I)

- Development of national standards for the mass market
- Development of a national seal
- Standard setting, certification and monitoring in the hands of national seal initiatives
- Business is seal taker only

- Harmonisation of national standards
- Professionalizing and separating standard setting and certification.

NGOs setting up own standards (II)

- Harmonisation of national standards
- Development of a common seal
- Professionalization
- Separating standard setting and certification
- System is still independent from actors in the market chain

Public blaming and shaming

- Getting market actors involved in the system via public campaigning
- Example: TransFair US campaign against Starbucks
 - Demonstrations
 - Publizising scandal stories
 - Influencing stockholder meetings
 - Open letter signed by relevant orgainsations
 - Fax/e-mail caompaign to the head office
 - After sucess with Starbucks anoucement to target other companies

Business internal certification scheme

- Example: Utz Kapeh
 - Initiated by retailer/roaster (Ahold) in cooperation with exporters
 - Baseline scheme for mainstream production
 - Open for medium and large scale farmers
 - Focus on traceability through on-site documentation and management
 - Stop race to the bottom
 - Weaker environmental standards in line with EurepGAP, GMOs allowed
 - Control of national and ILO standards

NGO – business partnership

- Broad variety of project based collaboration
 - German Example: Nature conservation organisation, religious youth and women groups, Town coffee
- Not necessarily a specific standard is met
- Logo of familiar NGOs are taken as a prove for good practice while in fact it is based on project funding only

Comparison

Advantages and shortages of the different approaches

<i>Effects on</i>	CSO owed certificate	Business certificate	NGO-Business collaboration
Consumer	Have to act, Can identify with the product/seal	Not visible for consumers	Have to act, Can identify with the product/seal
Producer	Get fixed price, social community projects	Price premium	Depends on the arrangement
Market	Only in few countries relevant market share	Relevant marketshare within few years already	Marginal market share

Conclusion

- Evaluation of the benefits is a political question
 - Guaranteed prices and benefits for the smallholders are main criterion
 - Leaving the niche market and having “fairer” produced goods in the mass market
- Hypothesis:

Without civil society initiatives discussion on standardisation and certification would not be as far as it is and quite likely would have other priorities.

NGOs in collaborating with business have to ensure they don't lose their basis at the consumer/citizen level.