

‘Value chains governance and inclusive endogenous development’

Towards a knowledge agenda



Colophon

This document is a synthesis report of the process 'Value chain governance and endogenous growth' which is being carried out within the framework of the Development Policy Review Network (DPRN) and organised by the Institute of Social Studies, Wageningen UR, Woord en Daad, ICCO, the Dutch Ministry of Economic Affairs, Agriculture and Innovation, Concept Fruit, and Hivos. With the aim being to stimulate informed debate and discussion of issues related to the formulation and implementation of (Dutch) development policies, DPRN creates opportunities to promote an open exchange and dialogue between scientists, policymakers, development practitioners and the business sector in the Netherlands. For more information see www.DPRN.nl and www.global-connections.nl.

Value chains governance and inclusive endogenous development

Towards a Knowledge Agenda

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Abstract

Value chains or value chain development are widely discussed as instruments for achieving development goals. The purpose of this paper is to contribute to this discussion in policy, practice and research by identifying four processes in which mechanisms enabling or constraining development can be found. This is motivated by the observation that the workings and governance of value chains and their articulation with endogenous development processes are not automatically favourable for smallholder farmers, workers or small and medium enterprises. The four processes (touching down, inclusion, leveraging and upgrading) are presented in a sequential way, which composes a framework for gaining a more precise insight into why certain intervention strategies may or may not work for development of the above groups, and how these outcomes depend on the context in which value chains touch ground. We suggest that such a focus on processes – rather than merely on effects such as inclusion per se or compliance with sustainability standards as such – is a productive way to design impact evaluation and inform an exchange of intervention theories used in research, in policy and in practice. This paper is a result of a two-year process of dialogues between stakeholders from business, government, and NGOs with the Dutch research community, which was carried out within the framework of the Development Policy and Review Network (DPRN).

Preface

This report presents a synthesis of the bilateral dialogues between representatives of business, NGOs and government and researchers connected to the DPRN project 'Value Chain Governance and Endogenous Economic Growth', and of the concluding dinner meeting, both of which were held on 28 September 2010.

We would like to thank all representatives from business, NGOs and government as well as the researchers from the universities in Amsterdam, Groningen, Nijmegen, Maastricht, Rotterdam, Utrecht and Wageningen who participated in these events.

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1. Introduction

In the realm of development policy and practice, (global) value chains and their development are generally considered instrumental in achieving desired outcomes, such as poverty alleviation, entrepreneurship and decent labour conditions. In scientific inquiries the value chain concept primarily serves as a heuristic device that allows us to come to grips with the complexities of economic development, as it focuses on the networks and arrangements that bridge the entire chain of actors, directly and indirectly, involved in the production of a particular commodity or service. While there is a growing recognition in policy and practice that the governance of value chains plays a crucial role in endogenous economic growth (economic growth generated from within a business system as a direct result of internal processes), there is as yet little understanding of the relationships between value chain governance and the development of rules and institutions in endogenous business systems in the South. Development outcomes are importantly defined in terms of benefits for or enhanced capabilities of actors on the upstream side of the value chain. However, the mechanisms inducing such benefits may be institutionally or spatially remote from these beneficiaries, particularly in layered organisations like value chains.

National and donor governments tend to focus their economic development policies on private sector development, for which they usually target macro-business environment issues and micro-level enterprise conditions (through business development services and finance). However, the sustainability of business development services depends on demand and supply conditions that are specific for different sectors and chains. Therefore, joint public and private strategies and interventions at the meso level of value chain development, connecting macro and micro level interventions, are remarkably absent from practice and policy labelled as value chain development.

Value chains are a specific phenomenon, which can be conceptualised as a bounded economic system directed by certain ordering principles. Hence, taking a value chain perspective entails more than focusing on the physical flows of products and materials and the transformation of raw materials. One of the elements is that value chains connect different value creating activities to achieve a position in end-use markets. Managing interdependencies is an intrinsic feature of value chains. The behaviour of a lead firm or lead agent is a key factor in this respect. Usually, this actor has the capacity to set barriers to entry and to regulate and coordinate the behaviours of others. This actor can be a single company, a group of traders, or a cooperative managing trade flows. However, achieving a certain level of strategic fit with contextual capacities, rules and institutions also seems to be an important condition for making joint value propositions profitable in the end-use markets. Likewise, in an endeavour to find levers for development we consider it important to discuss what brings actors together at the meso level.

In this paper, we make an effort to link a micro perspective on development impacts to a meso-level perspective that has a better match with the reality of value chains. Taking the meso level as entry point is motivated by the idea that this is the level where the different stakeholders (business, civil society and government) meet and may be able to achieve

certain levels of coordination and create conditions favourable for the development of smallholder producers, workers and small and medium enterprises. It is also at this level where we discover the degrees of control or connectivity different actors have with particular interventions and change processes. Moreover, the meso level is where important leverage points for change may be detected and where interventions are coordinated or negotiated between chain actors.

The discussion in this paper links value chains and endogenous economic growth, which may inform a growing numbers of activities and interventions that endeavour to connect locally embedded networks and public organisations to the logics of vertically coordinated value chains. This indicates that merely integrating smallholder farmers, workers and small and medium enterprises into value chains may be insufficient for achieving development goals, and that much depends on the precise articulation with historically grown networks and institutions within a certain area. An important contribution to the discussion reported in this paper is the inclusion of actors other than firms and producers in the analysis of the governance and economics of value chains.

The insights presented in this paper synthesise dialogues between stakeholders from business, government and NGOs and the Dutch research community in the context of the project “Value chain governance and endogenous economic growth: how can NGOs, firms and governments achieve inclusion and poverty reduction?”, which was supported by the Development Policy and Review Network (DPRN). The paper aims to generate a knowledge agenda for which it draws on the reports by theme and stakeholder rapporteurs and commentators of the concluding meeting, as well as on the collection of papers contributed by the teams of researchers (Helmsing and Vellema, 2011a).

We first briefly explain the process adopted in the project, as a method to achieve greater overall coherence, complementarities and synergies among the different frameworks used in practice, policy and research. Secondly, the paper sketches a knowledge agenda with a focus on four processes in which development outcomes are brought about. We then discuss the methodological implications of such a process orientation for conducting impact evaluations.

2. Combining multiple perspectives for dialogue and synergy

This paper provides a synthesis of the debate and dialogues carried out in the various stages of the DPRN project. It began with an opening meeting in November 2008, which raised issues for debate and gave direction to subsequent research activities. These were based on existing and ongoing research and multidisciplinary teams were formed to capture the value of combining multiple perspectives and realities. During their discussions, the researchers acknowledged the importance of searching for more analytical common ground (e.g. from economics, geography, anthropology, sociology, management studies, industrial organisation, agricultural development and SME development studies) and to develop integrative frameworks concerning the inclusive and endogenous development of value chains. The researchers produced a set of papers which were discussed and reviewed during a ‘writeshop’ in 2009. The writing of these papers constituted the basis for a second round of ‘bilateral dialogues’ in 2010 between the researchers and principal stakeholders from

business, Northern and Southern NGOs, government and Southern producer organisations. The bilateral dialogues were informed by propositions prepared by combined writing teams (Annex 1). The results of the bilateral dialogues (Annex 2) were presented and discussed during a multi-stakeholder dinner meeting bringing together interested persons from business, NGOs, producers' organisations and research.

In the dialogues, business actors stressed that their view on change processes had considerably changed. While in the past the change processes were dominated by public policies and public solutions with an emphasis on technology-driven mechanisms, nowadays change processes are much more market-driven, but the scale and scope of related problems requires new types of partnerships and alliances with the state. Development-oriented NGOs which seek ways to combine the traditional focus on empowerment and alternative development with a much more business-oriented or social-enterprise approach to inducing change processes have been gaining ground. In addition, government officials recognise the end of 'naked neoliberalism' but see market-driven development as forming the basis on which pro-poor development can follow and wonder to what extent pro-poor developmental interventions are about fine-tuning markets and chain development policies.

This indicates that within the world of value chains and development the perceptions and positions of different actors still reflect certain path dependencies, but the actors working on value chains also show openness to explore mutual dependencies and each other's functionalities. This creates more openness to looking into different perspectives and exploring possible synergies. In this context, the interaction between practice, policy and research benefitted from an enhanced capacity within the research community to use cross-sector learning and comparative research. The combination of an integrative and multidisciplinary analytical approach and the experiences and insights derived from policy and practice made it possible to reveal the diversity of mechanisms that make value chains work for development outcomes. Perhaps in contrast to other research, the research contributions to the dialogues in this project did not intend to examine an empirically rich data set in order to draw theory-informed conclusions. Rather, the teams of authors deliberately engaged in a debate based on theoretical variety so as to reveal what may be concealed if a single-theory approach is taken. This shows that a dialogue between conceptual frameworks is an important step in unpacking the composite nature of value chains and unravelling the interaction between value chains and development contexts. This also is a stepping stone for future iterative processes, which may be more productive when participants do not adopt a single definition of what a value chain is, how it performs or how it is supposed to work for development.

The researchers sought to integrate theoretical perspectives and a variety of empirical realities to analyse how managerial coordination, regulation or standards impact on the inclusion of smallholder farmers, workers and enterprises in governed value chains. This analysis of value chain governance is combined with business system theory, which opens complementary perspectives on endogenous development. The combination of inclusive governance and endogenous development provides the foundation for a grounded debate on the function and nature of development-oriented partnerships as a promising avenue for policy and practice.

To understand the terms of participation in the process of inclusion we needed to uncover the often hidden mechanisms that configure the terms of participation and modes of governance in a value chain, for example in the practices of intermediary recruiters of temporary workers or the negotiations on standard setting at levels out of reach of associated producers. Moreover, inclusion in a value chain is an evolving process, not a static outcome. The dynamics of inclusion are related to forms of coordination and association within the boundaries of specific value chains. Likewise, the forms of cooperation or rule setting within a certain area or the capacity of governmental organisations to regulate the chain or to define the terms of contractual arrangements affect the nature of the process of inclusion.

The editors of the volume assembling the various research contributions (Helmsing and Vellema, 2011b) concluded that the global value chain approach is not without limitations and stress the importance of including in the analysis the perspectives of both chain actors and non-chain actors, in particular the state and organised forms of concerted action and association. The effectiveness and viability of development-oriented intervention strategies and partnerships, anchored in value chain dynamics, will benefit from an ability to accommodate multiple perspectives. Likewise, the scalability of chain-based development interventions and partnerships relies on the capacity to embed dynamics internal to the value chain (such as networking and compliance with standards) in capacities, conventions, policies and institutional arrangements driven by chain and non-chain actors aligned in a territorial business system.

The integrative process and resulting contents set the stage for dialogues on intervention strategies and a shared knowledge agenda, which is reflected in the section below in which we aim to translate the rich debate into researchable issues.

3. Processes shaping development outcomes – towards a knowledge agenda

This section introduces a framework that identifies four processes within value chains that describe a pathway leading to certain development outcomes. It approaches this endeavour from the perspective of development-driven intervention practices and, accordingly, seeks a way to explain how impacts of various interventions by companies, NGOs and governments occur while realising that their outcomes are context-dependent.

The paper identifies two processes related to the articulation of value chain dynamics with contextual dynamics: namely (a) the process of touching down and (c) the process of leveraging. From a parallel perspective, the paper focuses on two processes within the boundaries of a value chain, namely (b) the process of inclusion and (d) the process of upgrading. These processes are the main ingredients of a knowledge agenda that transpired from the DPRN project events.

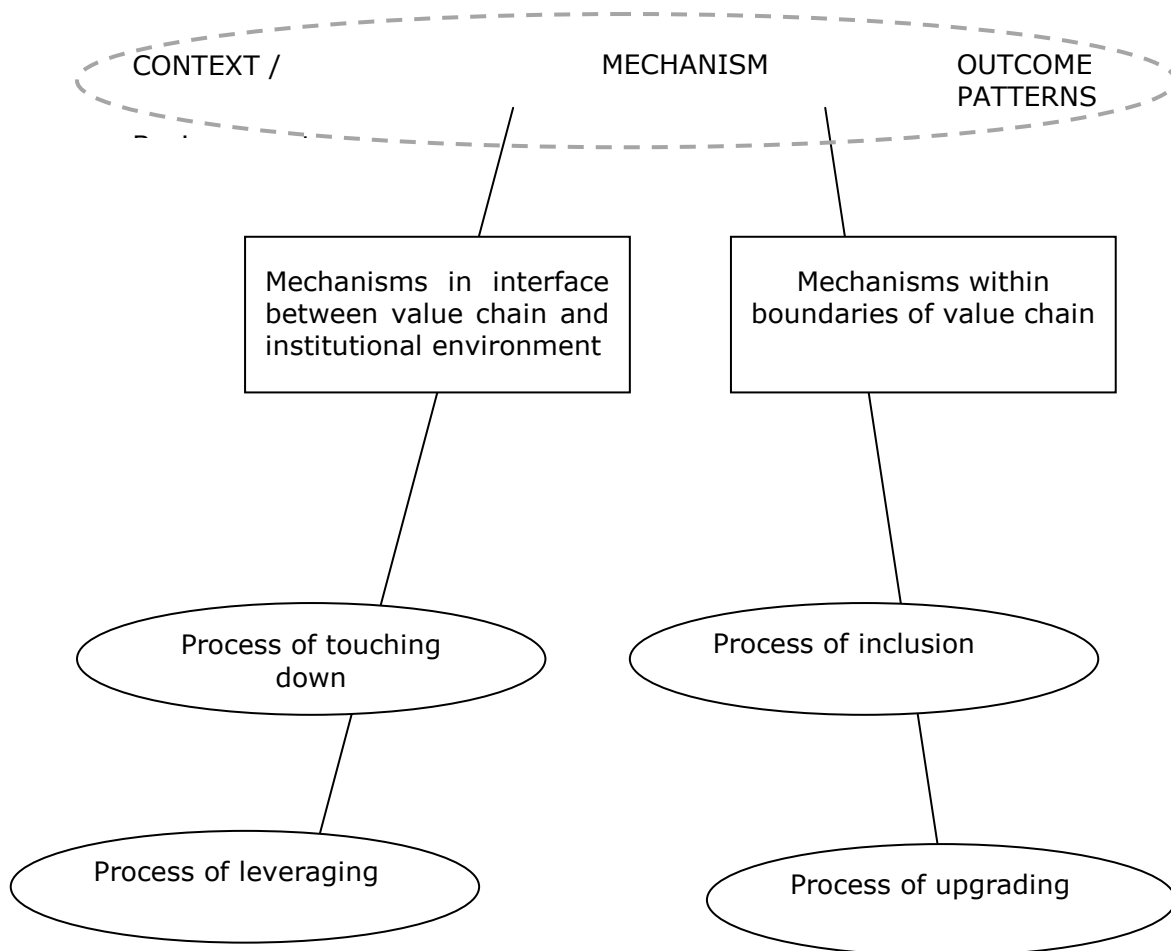


Figure 1: A meta-framework for the analysis of developmental outcomes of value chain related interventions

We organise the presentation of this framework along the four above mentioned processes that constitute the causal chain of mechanisms that mediate between developmental interventions, chain dynamics and their context-dependent outcomes. In terms of a logical sequence the first process is that of ‘touching down’ which concerns the interaction between a (new) value chain and the business system in which it operates or intends to operate, and helps to identify needs and opportunities for ‘leveraging’ interventions and resources in order to affect larger number of actors. The second argument in the paper is that the dynamics within the chain define the terms of ‘inclusion’ of local producers and workers, and therefore possible development outcomes and prospects for ‘upgrading’. One of the consequences of the argument developed in this paper is that a strong focus on standards and compliance with them, captured under the process of upgrading, is only one piece of the puzzle, and from a developmental perspective it may be not be the most significant one despite the developmental intentions included in many standards.

3.1 The process of touching down

We define the touching down process here as the interaction between the logics and institutions embedded in a (new) value chain and those found in the business system in which it operates or intends to operate. The prevailing business system sets the basic

parameters within which a (new) value chain can operate and sets the room for manoeuvre which chain-specific actors have vis-à-vis non-chain actors, in particular the (local) state and existing forms of association, either formal or informal. The business environment is not a given or a datum. Firms that seek to establish a new value chain will actively interact with that environment and influence it to their competitive advantage. This territorial dimension of competitiveness has been recognised in recent theories of competitiveness (Porter, 2003; Kitson *et al*, 2004) and by evolutionary growth economists such as Nelson, (2001, 2002). This stands in contrast to a more disembodied neoliberal view which argues that a basic (and uniform) set of institutions, such as property rights, together constitute the business environment. In the real world the business environment is a much more complicated mosaic of formal and informal institutions.

Global value chain theory does not provide the analytical tools to examine the interaction between firms and their local business environment. The global production network approach (Coe *et al*, 2008) distinguishes functional networks, such as value chains, and societal and territorial networks, but is in our view too abstract to translate this into a researchable question about the process of touching down. Business system theory gives us some of the analytical elements by which firms can influence their business environment (Whitley, in Jakobson & Torp, 2001). Drawing on this reasoning, we distinguish three principal components of a business system, namely (i) the nature of doing business, (ii) the role of the state in the economy and (iii) state-business relationships:

- i. The nature of doing business and the forms of business association are important as local producers may observe a different behavioural or additional logic to doing business, e.g. for reasons of livelihood, social (e.g. ethnicity) or political relationships. In the context of global value chains, this shift attention to whether there is a (strategic) fit between the logics of doing business in a certain context and the logics found in global value chains and in the responses of lead firms to demands in end-use markets;
- ii. The nature and role of the state is important as it has an important bearing on the formal and informal institutions which shape the environment in which firms operate. For example, for Africa the state is not only much more fragmented, in comparison to, for instance, states in East Asia (see Oosterveer *et al*, 2011) or Latin America, but also the nature of the state, its degree of decentralisation and state leadership are considered to be distinct (more or less centralised forms of patrimonialism) as is the importance of informal institutions (Hyden, 2008).
- iii. The business system concerns state-business relationships. Firms will actively seek to influence their business environment. The state may have different views on firms doing so. Thus, state-business relationships consist of a field of forces that can help or hinder the touching down process.

During the dialogues, the discussions based on the business system framework provided direction on how to relate this analytical framework to development outcomes. It was argued that the globalisation of increasingly networked production has the built-in danger of greater uncertainty and invisibility of labour and environmental conditions upstream in the

chains. One of the responses to this danger is the implementation of environmental and social standards, which are often negotiated at international level. However, the prevailing business system has considerable influence on the outcomes of these forms of regulation.¹ Hence, there is a need to understand how combinations of hard and soft regulation or of public, collective self-regulation and voluntary regulation affect developmental impacts in specific contexts.

The above also suggests a focus on the role of the state in achieving certain levels of coordination and regulating the playing field. The ways in which the state interacts with economic realities and institutional arrangements within value chains can be different, which is illustrated by the analysis of the functioning of the Ghanaian state in the cocoa sector of Laven (2011). In ‘arm’s length’ states one could expect value chain forces to become more powerful than in states which are more active in defining the development direction. When the state is less strongly present in the economy, other actors will employ their resources and powers to construct a favourable environment for their economic activity. This may result in specific arrangements for coordination, cooperation and competition between firms, in policy frameworks favouring certain economic trajectories, or in framing decision making in a specific institutional setting or level of scale (Andriess, *et al* 2011). Low levels of state risk-sharing, weak intermediaries, and low market regulation, coupled with weak unions, a poor public training system, and low trust in formal institutions may limit the degree of organisational integration in an economy. Especially where coherent national business systems are absent, institutional arrangements at other geographical scales may have similar effects. Long-term strategising at industrial policy level in different types of business systems is also shaped by the role of the state and the types of partnerships within business systems. Particularly in an era of decentralisation it becomes important to understand this at regional levels, where the role of local governments in coordinating and stimulating economic and institutional development can be most apparent. At a national level it may be crucial to understand the functioning of the Central Bank to point to the logic of the business system.

In this context, the role of the state was emphasised as enabler, investor, provider and key actor in terms of governance of the forms of articulation of value chains and business systems. In many value chains, the state is not a neutral player; it has economic interests or has invested public funds in schemes creating, for example, contractual arrangements or installing logistic infrastructures. Accordingly, the focus of the public sector seems to have shifted from an almost exclusive focus on production (how to produce more) to a focus on production systems (the environment that enables firms to produce better and more). With regard to regulatory institutions that structure the interactions within chains, the question

¹ The various case studies presented during the DPRN process have shown a rich variety in that regard:

- The Nicaraguan lobster chain functions in the context of an unregulated market economy;
- The developmentally coordinated market economy in Belize’s lobster chain is a hybrid of public and collective regulation;
- The Kenyan fish chain is characterised by a hybrid of public and community regulation;
- The Thai shrimp chain features a closely state-business coordinated regulation;
- Ghana cocoa is an example of an exclusively state regulated chain.

came up whether private voluntary institutions developed by business, or by NGOs and business, are a substitute for state-led regulation. Do these function like communicating vessels, where a loss of public regulatory capacity can be replaced by private voluntary regulation? Putting it more broadly: does this need strong(er) states in order to achieve development impacts through value chains? The formulation of explicit policies promoting economic coordination and partnerships as part of industrial and competitiveness development would be an important advance.

The precise articulation between state action and value chains has implications for the ways in which businesses, and also smallholder farmers, workers and small and medium enterprises operate and possibly team up in joint endeavours. This articulation also impacts the regulatory framework for partnerships in different types of business systems, and the ways in which partnerships encourage investments and commitments by value chain actors and shape the quality of value chain linkages. The focus on business systems broadens the scope of value chain-based partnerships, emphasising the type of function they perform within the context of a wider business system, and opens opportunities for appreciating alliance coordination and active state-business collaboration, especially in situations of non-liberal or neo-patrimonial states and where business organisation is weak. The focus on the state-business relationship also generates insight into the ways in which stewardship for value chain development takes place and how local elites become part of the functioning of value chains and consequently affect the terms of inclusion of other actors.

In line with the above, the dialogues generated an important distinction between creating and levelling a playing field. Does a playing field have to be created first before it can be levelled? Some argued that market conditions and institutions should be created first, and that could already be difficult enough in terms of (social) learning to make these work effectively and efficiently, *before* they can be made more pro-poor. Alternatively one could ask: is levelling an intrinsic part of the very creation of the playing field? That is to say, poor agricultural producers or small enterprises face inherent disadvantages (scale, assets, knowledge, experience, reputation) in relation to new or existing market institutions, which may pre-empt their participation. At the same time, it is important to realise that the creation of levelled market institutions may imply a trade-off in relation to efficiency.

Clearly this is not simply an economic issue but also a political one. This was illustrated by the comparative analysis of the lobster chains in the Caribbean basin elaborated by Monnereau and Helmsing (2011). The restricted access regime of the national fishing grounds of Belize created the conditions for poor fishermen and their cooperatives to participate in international lobster chains at scale and on much better terms than their Nicaraguan counterparts. The latter faced an open access regime and, in the absence of cooperatives, unequal competition – first from a foreign and later from a domestic industrial fishing fleet.

The discussion above leads to a knowledge agenda about the process of touching down that includes two areas of interest. Firstly, the articulation of value chains logics with rules, institutions and behavioural patterns embedded in local business systems, which includes the actions of the state. Secondly, it would be important to generate knowledge about the

creation and levelling of the institutional playing field and the roles of businesses, governments and NGOs within it; and about the ways in which different combinations of regulation present in value chains and business systems set the conditions for the inclusion and the economic activities of different groups.

We translate our discussion into the following three questions:

1. How does the functioning of the state in non-liberal, fragmented and neo-patrimonial country settings impact on the coordination of institutional development, alliance coordination and active state-business collaboration, especially as regards competitiveness?
2. How does the articulation of value chains, as functional networks, with the institutions embedded in business systems impact on coordination and joint actions between public and private actors, as ingredients for long-term economic development?
3. How do regulation and coordination of different roles, capacities and regulations of different actors impact on the creation and levelling of the playing field?

3.2 The process of inclusion

In the above, we argued that the processes leading to the development impacts of value chains or of value chain-based interventions are importantly found in the 'touching down' of a (global) value chain in a particular place and history. This section argues that, complementary to the above, unpacking the processes of inclusion within this context is equally important for understanding how development impacts come about. Also here, the vertical dimensions of value chains combine with the economic, political and cultural dimensions found in a specific area or country. Therefore, we posit that the development impacts of inclusion result from embedded processes, in which different interests and conventions come together (Muradian *et al*, 2011), and different actors mobilise resources and represent interests (Andriess *et al*, 2011; Pegler *et al*, 2011).

These processes of inclusion are characterised by negotiations, social settlements and various forms of politicisation, which over time configure the relationship between value chains and the different groups of actors in an area. Hence, inclusion is not a one-time effect, but can better be conceptualised as an evolving and incremental process in which actors have some level of freedom to choose to be in or out. Moreover one needs to be more aware of the potential unintended consequences of inclusion. In that regard value chains may be differentiated in the terms of inclusion: a localised chain may be more favourable to fair economic transactions than ivy-league global chains, or vice-versa. The process focus adopted in this paper makes it possible to further specify the nature of (evolving) relationships, and consequently, to detect the rationales of actors to be included or excluded.

The dialogues showed that actors look at the terms of inclusion from different angles or advocate it on different grounds. A business actor may look into the process of inclusion because of supplier failure risks and asset specificity or because alliances with community organisations are part of end-user preferences or corporate strategies. Governments may

approach the process of inclusion in an effort to formulate shared sector growth policies or cope with the social and political consequences of non-inclusion. NGOs may cooperate for reasons of development alternatives or of smallholder empowerment or autonomy. Finally, small producers may assess the returns of inclusion in comparison with other economic opportunities or be motivated by non-economic motives.

One of the related debates during the dialogues focused on whether it is only about economic inclusion or whether the process of inclusion needs to be conceptualised as multidimensional. Some researchers, notably Hospes & Clancy (2011) had identified three – namely economic, political and cultural – dimensions of inclusion. In the dialogue with business, some argued that economic inclusion was the principal concern. Others argued that the successful economic inclusion of small producers in itself already constitutes or advances political and cultural inclusion. In the dialogue with government, it was acknowledged that, for example, the creation of localised stakeholder platforms also incorporates political and cultural dimensions because their organisations, collective actions and communities are part of it. These platforms may be considered to be solely instrumental to the economic inclusion of smallholder producers. On the other hand, when smallholders or their organisations participate in public and collective decision making, other dimensions equally shape the process of inclusion. This also means that the case for collaboration between chain actors is not always a one-dimensional but can be a multidimensional win-win situation. For example, a local actor may decide to collaborate on the basis of cultural grounds or local pride rather than strict economic calculation (as elaborated by Muradian *et al*, 2011).

Reflecting on the above, it becomes clear that the discussion on inclusion has a strong bias towards smallholder agricultural producers. One of the often implicit assumptions (Hospes & Clancy, 2011) concerning the developmental impacts of global value chains on smallholder producers is that their inclusion is considered to be a good thing: included small producers are better off than excluded ones. We propose shifting attention to the actual processes of inclusion, and identifying how negotiations and decision making over time leads to different configurations in which actors operate. Understanding what constitutes smallholder agency in the context of value chains then becomes essential. An interest in agency also implies acquiring a better understanding of voluntary self-exclusion: what is its rationale, what causes it?

The dialogues and the preparatory work leading up to them signalled an important void in the inclusion debate, namely a lack of attention to workers in global value chains. Looking at the process of inclusion from a smallholder producer perspective, with an emphasis on agency and productive activities, generates a bias towards including functional elements in the performance of the value chain. The nature of the process of inclusion will be different when looked at from the perspective of permanent and temporary agricultural workers. Pegler *et al* (2011) noted that workplace and labour processes need to be understood contextually. They propose studying the process of inclusion of workers at the periphery of value chains in terms of the differentiation of labour, processes of deskilling and representation, and the processes of recruitment embedded in the workings of local labour markets. Importantly they stressed that labour in global value chains can best be seen as

'control from a distance' where labour conditions at the periphery increasingly become invisible. Outsourcing, contracting out and informalisation may be unintended and undesirable effects of stepped up efforts to raise labour standards. Hence, we conclude that the process of inclusion of workers needs to be taken into account in evaluative frameworks on the developmental impacts of (global) value chains.

Finally, the dialogues linked the process of inclusion to the need to create economies of scale or a critical mass in terms of numbers of producers for interventions to leverage limited resources. This also implies that certain aspects of the process of inclusion are decided upon at levels spatially or institutionally remote from smallholder producers and workers at the periphery of value chains. Therefore, the process of inclusion cuts across levels and this may impact particularly the political and cultural dimensions. Likewise, due to the scale and cross-level nature of operations in value chains no single actor has full control over the terms of inclusion or a complete interest in all aspects of inclusion. For example, end-users have limited interest and imperfect knowledge of all aspects of the precise negotiations shaping the process inclusion of small producers in the South. Lead firms rely on their linkages with local business networks, producer organisations or business units in their strategising about forms of governance. NGOs participating in international negotiations on sustainability standards or in round tables find it difficult to link these processes to ways in which standards and their subsequent auditing and monitoring procedures affect the terms of inclusion of small producers.

The distribution of capacities and knowledge in value chain configurations and the resulting need to negotiate and manage interdependencies are uncharted terrains in the discussion on inclusion. The ways in which value chains are able to solve problems, manage unexpected events or enable the management of tensions may vary over time. In addition, the degree of alignment between local business systems and forms of chain governance may vary and accordingly reshape or redirect the process of inclusion (Andriesse *et al*, 2011)

The above suggests that experiments and induced change processes need to take greater account of the contextualised dynamics of partnerships beyond the permeable boundaries of a value chain. More straightforwardly, business may need to invest and build capacity to manage its relationship with actors operating outside the value chain in a social and economic context. This may seem awkward from a pure business point of view but it may also yield reliable supplier-buyer relationships. Moreover, investing in these types of relationships appears to be conditional for solving problems outside the boundaries of the business.

We translate our discussion into the following two questions:

1. How does the combination of the forms of governance in value chains, such as standards, codes or contracts, and the forms of regulation in the business system, such as regulation of contracts or labour legislation, impact on the terms under which smallholder producers, workers or small and medium entrepreneurs participate in the processes of inclusion?

2. How do the scale and interdependencies characteristic to the functioning of value chains impact on the pathways of inclusion and degrees of coordination at the periphery of value chains?

3.3 The process of leveraging

Our discussion on touching down and inclusion already indicated that plausible developmental impacts of value chains or value chain-based interventions cannot be attributed to single factors or actors. Most likely, these are an emergent outcome of cross-level interaction and depend on the interactions and coordination between various chain and non-chain actors. Moreover, the inclusion of relatively large numbers of smallholder producers, workers and small and medium enterprises make it important to find a way to detect levers for development in the value chain configuration.

Thinking in terms of levers points to a systemic conceptualisation of value chains and their embedding in regional economies, and enables joint priority setting in intervention. Detecting levers is a difficult exercise and how this search informs intervention strategies seems to be uncharted terrain. Meadows (1999) initiated a discussion on how to identify leverage points with an increasing impact on systemic change. She places standards or buffer stocks at the lowest level of interventions with enough leverage to induce systemic change. Subsequently, this is followed, for example, by installing feedback mechanisms improving a system's self-correcting abilities, the structures of information flows, the rules of the system, and the power to act, change, evolve and self-organise. The purpose of this brief exposé is to suggest that the issues of leveraging development interventions may benefit from a combination of system thinking with substantial social theory on the institutional and behavioural features of embedded value chains.

A value chain perspective lays the emphasis on the institutional set-up of economic transactions and social relationships. It looks into interdependencies and how they are coordinated and governed. It suggests concerted action and interrelationships constituting a common proposition in the end-use market. In this sense, a value chain perspective looks at the value chain as a performing system with controls and coordination. Within its boundaries, a value chain can be seen as a functioning whole assembling a variety of tasks, functions and activities to bring a product to the end-use market. In the institutional setup, the lead firm has substantial power, enabling it to include or exclude actors or to arrange access to resources. Likewise, the lead firm is essential for maintaining the competitive position in the end-use market.

Here we argue that, for designing development interventions, it may be wise to widen the bounded value chain perspective and create a level of synergy that allows chain and non-chain actors to combine their capacities and resources and their connectivity to other actors. These interventions can be directed at particular institutional and resource concerns in relation to the embedding of the chain, that is to say the interface between the chain and the business environment, or be directed at mechanisms making the process of inclusion favourable to vulnerable actors at the bottom of the value chain. Such an approach contrasts with a focus on individual and localised project-based interventions, with a higher degree of control by and attribution to the interveners.

Development interventions of NGOs and businesses are typically targeted at a local and pilot project scale and, if these are successful, they assume that other stakeholders will replicate or scale up these innovative initiatives. For replication, chain actors – producers, exporters, traders and input suppliers – may be interested in implementing successful initiatives if they have sufficient evidence that they can recover their upfront investments and achieve similar results in their own situations. Upscaling initiatives suggests that the principles of the piloted intervention remain intact when using it in systems with larger volumes or an increased number of participants. Van Tilburg *et al*/(2011) distinguish between an ‘old’ and a ‘new’ paradigm of upscaling. The ‘old’ paradigm basically sees upscaling as a process of expanding and replicating a successful project on a larger scale. The new paradigm represents a systems view of upscaling in the sense that the initiative is both extended and multiplied and becomes a source for sustainable and system-wide impact. Upscaling in the new paradigm involves other actors and requires higher levels of connectivity and coordination.

In contrast to the new paradigm, actors often tend to minimise the risks of coordination failure by avoiding a situation in which the sought after outcomes are dependent on the actions of others. For example, NGOs may tend to stick to a controlled project environment and use direct linkages with the vulnerable groups they target. Businesses are also tempted to declare certain issues beyond their sphere of influence, and concentrate on their economic functions. In both cases, dependency on others is seen as negative and there is a strong preference for autonomy. It takes a change in mindset to make intended outcomes dependent on actions orchestrated or coordinated with others, and thus to see development outcomes partly as emergent and indirect. The often overlooked fact is that nobody has full control. There is therefore a need to manage these interdependencies. Likewise, managing leverage points requires teaming up with others and most likely implies other types of interventions than those usually piloted in bounded project settings.

Partnerships seem to lend themselves for intervention strategies connecting chain and non-chain actors and managing leverage points. Partnerships have the potential to act as vehicles for upscaling and for overcoming or reducing investment and transaction coordination failures. There was considerable convergence on this during the dialogues. It would be an important issue to examine under what structural and process conditions such partnership initiatives can become ‘embedding by design’. However, the observed absence of national governments in these partnerships may hinder the embedding of value chain-based partnerships in a wider endeavour to combine value chain governance with public policy and achieve co-regulation. One reason may be that partnerships primarily serve to address market-based coordination failures in global value chains, and are for this purpose supported and legitimised by Northern governments in the form of development cooperation. However, the disembedding of development endeavours by partnerships and lead firms may be one of the unintended consequences of this approach.

The research reported in Bitzer *et al*/(2011) observed that partnerships are mostly defined in terms of instrumentalities, but rarely in terms of the institutional challenges of inclusion and leveraging. The same research, however, indicates that partnerships in a country with a better business environment (as measured by aggregate indicators) face fewer institutional

challenges and reach more small producers than partnerships in the same product in a country with a worse business environment. Hence, regaining an interest in the process of embedding value chain-based partnerships in local economies is important for creating conditions for upscaling development interventions. This may lead to the selection of other types of intervention with a stronger focus on levers for embedded institutional change.

In this context it needs to be stressed that public funds need not be in the form of grants-in-aid to specific groups but can take the form of levy raising tax powers granted to collectivities of producers, as in the case of 'para-fiscal' funds in Colombia through which producer associations collectively self-finance the implementation of chain-based competitiveness agreements (CONPES, 1997). This intervention can also be cast in terms of levers that address the usual lack of finance faced by collective efforts of smallholder producers. This problem can be remediated either in the form of a new chain-level institutional arrangement, such as a loan guarantee by an NGO to traders buying from a group of small producers, or by improvements achieved through financial system regulation or reform. The latter intervention may have more leverage since it creates spill-over effects in the form of institutional change for other chains and other buyers and producers. Endogenisation – which has been defined in terms of increasing local capabilities and control (Tiruhwa & Helmsing, 2010) – is primarily seen as leveraging toward embedding and stimulating spill-over effects. Nevertheless, the dialogues suggest that many value chain-based interventions, either by NGOs or firms, show a primary interest in leveraging towards 'their' value chains and lead firms do not feel responsible for 'better' embedding or for spill-over effects to other chains and territories. These are seen as primarily a responsibility of governments and, to some extent, NGOs. In terms of the playing field metaphor, leveraging not only aims at strengthening the positioning of small producers but would also make local institutions attentive and accessible to small producers and their organisations.

This leads us to conclusion that the capacities and resources of organisations or associations of smallholder producers and workers at the periphery to influence or direct such partnerships and processes may not be readily available. The 're-invention' of smallholder cooperatives to take part in better (vertical) coordination and more centralised decision making embedded in value chains must be seen in this context. However, as pointed out by Bijman *et al* (2011) this challenges the other roles which cooperatives play for their members. The absence of national or local government obstructs capturing the possibilities of pro-active government policy to support, facilitate and regulate the positioning of smallholder producers and workers in partnerships. Particularly in Sub-Saharan Africa decentralised governments often lack such capacities and resources (Helmsing, 2007).

We translate our discussion into the following three questions:

1. How do the preferences of businesses and NGOs and their partnerships for a relatively high-level of control over interventions within the boundaries of individual value chains and a low-level of dependency on other chain and non-chain actors impact on the potential for spill-over effects and on endogenisation?

2. How does the critical mass of smallholder producers and workers needed to engage lead firms and other businesses in sector or value chain-based partnerships impact on the processes of institutional changes attached to experimenting and piloting development interventions by these partnerships?
3. How does the primary focus of business on leveraging toward the chain impact on incentives for partnerships and complementary actions required for capturing spill-over effects and endogenisation?

3.4 The process of upgrading

The above three processes emphasised the interrelationships between chain and non-chain actors in the context where value chains touch down and proposed unpacking the processes of inclusion of smallholder producers, workers and small and medium enterprises. The process of economic upgrading is more closely related to the functionalities within a value chain, and has received a lot of attention in practice, policy and research. NGOs have adopted a range of interventions to promote the upgrading of small producers: for example by setting standards, certifying and training, supporting business development services and finance, stakeholder mediation, and chain reconfiguration through social enterprise interventions encouraging vertical integration through value-adding activities. Governments and donor agencies have taken a similar approach, and public funds have been used to ensure that smallholder farmers can comply with market-based standards and regulations in order to access markets or to link to lead firms. Business seems to be a little more hesitant because upgrading touches on the existing division of labour and modes of control within their value chain. However, linking with NGOs and governments to enable compliance with market standards has become common practice. In addition, more recently in commodity chains like tea and cocoa, companies are teaming up with public agencies, farmer groups, NGOs and standard organisations to enhance coordination and performance on the upstream side of global value chains.

These developments are leading to a wide variety of intervention strategies initiated by business, NGOs, governments and researchers alike. Standards, and thus new forms of value chain governance, have a pivotal role in these strategies. In the general discussion, some advocate their own case as a 'best practices'. There is however little systematic oversight and evaluation of the ways in which these intervention strategies lead to development outcomes. In practice and policy an important assumption seems to be that a lack of economic opportunities and gaps in the chain between particularly smallholder producers and firms obstruct further economic development. Mainstream literature on value chains and smallholder producers concentrates on the question of upgrading as an avenue towards improved income and employment or poverty reduction. The focus has been primarily on what types of chain configuration have potential for what kind of upgrading, ranging from process and product, functional and inter-chain upgrading. An important distinction in this regard has been between producer-driven and buyer-driven chains (Gereffi, 1994). Theories of upgrading have focussed increasingly on technological and demand factors as parameters defining the economic upgrading potential. Central to the more recent debate on upgrading has been the introduction of various types of private-led standards, mainly involving firms and NGOs, and interventions from other non-chain actors.

In this sense, the process of upgrading is closely related to evolving forms of governance within mainly global value chains. The current proliferation of standards can be seen as an unintended outcome of the many initiatives to introduce social and environmental responsibility in markets and/or as relating to a growing number of private governance initiatives and responsibility strategies by lead firms. In the realities of global value chains there seems to be a need to find new ways to coordinate performance across different levels and to install new ordering mechanisms. Knorrinda *et al* (2011) attempt to use three different theoretical perspectives for further detecting the mechanisms set in motion by private governance initiatives. In addition Ruben and Verkaart (2011) have attempted to examine empirically how product and process standards impact coffee producers and their communities in East Africa.

In this paper, we consider standards and related processes of economic, social and environmental upgrading as specific empirical manifestations of coordination and inclusion which, particularly in global value chains, also set the stage for processes leading to desired or undesired development impacts. We recognise that there may be important differences between NGO and civic-driven and business-driven standards, although it remains to be seen whether these differences are also visible in forms of governance and processes of inclusion. The issue of embeddedness and of leveraging development interventions has become apparent in all types of standards. We conclude that the three complementary processes elaborated above have to be addressed in order to acquire a more complete understanding of how and what kind of development outcomes are brought about by various intervention strategies. In this way, we try to move the discussion on development impacts from a focus on generic best practices to how processes related to value chain governances lead to development outcomes for specific groups living and working in specific territories.

We synthesise our discussion into the following two complementary questions:

1. How do the ways in which lead firms institutionally organise their environmental or social responsibility impact on embedded processes of economic, social and environmental upgrading of smallholder producers?
2. How does the implementation of standards and related processes of upgrading impact on the terms of inclusion for different groups, i.e. smallholder farmers, workers and small and medium enterprises?

3.5 Summary knowledge agenda

This section examined four processes, which were selected for their importance in detecting the ways in which development outcomes come about. The inner working of these processes, which are located either within the boundaries of the value chain or at the interface between the value chain and the local context, need to be understood better in order to be able to refine the theory logics of the wide range of intervention strategies in the domain of value chains and development. Our discussion is translated into ten questions that together compose a knowledge agenda concerning development impacts.

1. How does the functioning of the state in non-liberal, fragmented and neo-patrimonial country settings impact on the coordination of institutional development, alliance coordination and active state-business collaboration, especially as regards competitiveness?
2. How does the articulation of value chains, as functional networks, with the institutions embedded in business systems impact on coordination and joint actions between public and private actors, as ingredients for long-term economic development?
3. How do the regulation and coordination of different roles, capacities and regulations of different actors impact on the creation and levelling of the playing field?
4. How does the combination of the forms of governance in value chains, such as standards, codes or contracts, and the forms of regulation in the business system, such as regulation of contracts or labour legislation, impact on the terms under which smallholder producers, workers or small and medium entrepreneurs participate in processes of inclusion?
5. How do the scale and interdependencies characteristic of the functioning of value chains impact on the pathways of inclusion and degrees of coordination at the periphery of value chains?
6. How do the preferences of businesses and NGOs and their partnerships for a relatively high level of control over interventions within the boundaries of individual value chains and a low level of dependency on other chain and non-chain actors impact on the potential for spill-over effects and on endogenisation?
7. How does the critical mass of smallholder producers and workers needed to engage lead firms and other businesses in sector or value chain-based partnerships impact on the processes of institutional changes attached to experimenting and piloting development interventions by these partnerships?
8. How does the primary focus of business on leveraging toward the chain impact on incentives for partnerships and complementary actions required for capturing spill-over effects and endogenisation?
9. How do the ways in which lead firms institutionally organise their environmental or social responsibility impact on embedded processes of economic, social and environmental upgrading of smallholder producers?
10. How does the implementation of standards and related processes of upgrading impact on the terms of inclusion for different groups, i.e. smallholder farmers, workers and small and medium enterprises?

4. Doing impact evaluation – methodological implications of a process and contextual orientation

By taking an interventionist perspective, the discussion in this paper has a specific interest in further understanding the processes (mechanisms) that bring about development outcomes (Gerring, 2007; figure 1 above). Value chains have permeable boundaries (Vellema, 2005), and within these boundaries interventions, strategies and behaviours may trigger mechanisms leading to certain development outcomes related to processes of inclusion and upgrading. We realise that these development outcomes are strongly context-dependent, and therefore tried to focus on two processes that link the value chain to its environment, namely touching down and leveraging. This section elaborates on the methodological implications of a process and contextual approach to evaluating development impacts.

4.1 Processes leading to development impacts

This paper places itself in the school of realist evaluation (Pawson and Tilley, 1997). This methodological approach proposes understanding impacts in terms of context-mechanism-outcome configurations. Pawson and Tilley argue that an appropriate question for impact evaluation is ‘what works for whom under what conditions’, rather than the straightforward question ‘what works’, which suggests an interest in best practices and panaceas. Answering Pawson and Tilley’s question requires a focus on processes linking the interventions and value chains to the circumstances in specific territories (the process of touching down) as well as on the ways in which interventions and value chains affect the situation of different groups, in particular smallholder farmers, workers, and small and medium enterprises (the process of inclusion).

Using such a framework makes it possible to explicate and validate intervention theories of particular actors and to seek bridges between the frameworks of different actors. The latter seems timely since many development-oriented interventions related to value chains are implemented in partnerships. Therefore, the four processes identified in this paper can be a stepping stone towards finding more synergies and encouraging the orchestration of individual efforts by detecting the mechanisms in these processes.

In the world of development practice and policy there is an obvious need to be accountable for one’s actions. This pressure may induce a tendency to engage only with interventions over which a high level of control can be exercised and in which the attribution of development impacts, e.g. in terms of capability to earn an income or employment, is relatively easy to establish. One of the possible implications is a one-sided emphasis on micro-level and project-driven interventions, with clearly defined indications of increased incomes, environmentally benign farming practices or beneficial labour conditions within the context of bounded communities of specific social groups. The discussion on processes in the previous section shifts attention from effects to mechanisms and levers that explain the processes inducing development impacts. A possible advantage of opening the black box of intervention strategies is that it encourages actors willing to combine forces and development pathways in a configuration over which they have less direct control.

Our discussion also points to a related (and old) discussion on the balance between coordination and control (Honadle and Cooper, 1989). Honadle and Cooper distinguish three circles of degree of control: i) an inner circle where an actor has (full/considerable) control over a particular intervention; ii) a wider circle in which not only the actor himself but also others are (local) key stakeholders and hence interventions need to be coordinated/negotiated, and iii) an even wider circle where developments take place beyond the control of the actor, who needs to appreciate these developments and their implications.

For evaluating the development impacts of value chain-based intervention strategies and partnerships this complicates attribution. High levels of control may solve the problem, but this approach may unintentionally lower the degree of connectivity and the capacity to make obvious interdependencies manageable and workable. Particularly in the case of value chains it does not seem fruitful to by-pass more complicated configurations institutionally, for example by striving to achieve direct linkages or bottom-up integration. Moreover, value chains seem to fit in an evolving division of labour, wherein specialisation, distribution of competencies and tasks, and various forms of professional association are salient features.

4.2 Contextual explanations of development impacts

The endeavour of the integrative research used for this paper is to begin to explore meso-level development pathways that may alter the modes of governance and organisational patterns within the boundaries of global value chains or modify the integration of value chains into the networks and business systems conducive to employment, skill-based upgrading, or productive settlements between private and public endeavours. This suggests a complementary interest in other types of outcomes patterns, which need a better understanding of how behavioural patterns affect income-earning capacities, or how social settlements make tensions manageable and create more predictable conditions for vulnerable and risk-taking producers. These types of outcome patterns are obviously a result of connected actions and interventions in which development outcomes emerge. We conclude that many value chain-based interventions and the partnerships responsible for conceptualising and implementing them require a different way of evaluating impact.

Acknowledging that 'context matters' seems to be an undisputable statement but how to include this into frameworks useful for evaluating development impacts is less obvious. Institutional arrangements, forms of collective action, modes of representation and social conventions shape the playing field and in that way the circumstances in which value chains touch ground. Whether value chains create opportunities for socially embedded actors and whether local contexts provide corrective roles or feedback mechanisms then depends on conditions and particularly the role of the state within historically developed regional economies.

Hence, to understand the development impacts of value chain-based interventions it seems essential to allude to variation in context as well as to picture how the value chains logic is commensurate (or not) with the system logic in a specific context. The development impact of value chains is closely linked to matters usually outside the terrain of business management; for example, programmes redistributing land or its tenure security, gender relations and representation in the workplace, or the effects of HIV/AIDS on the organisation

of labour in rural communities. Furthermore, the conditions of poor people may induce a short-term perspective, for example the need to find funds for a funeral or medication, which may conflict with risk-sharing and joint investments in a value chain. Another interest may be the processes of democratisation affecting arbitration or conflict-resolution procedures in the economic realm or the capacity of decentralised government units in coordinating the behaviours of economic actors.

5. Conclusions

In this paper we identified four processes that constitute a meta-framework for an iterative learning process among practitioners, policymakers and researchers active in the domain of value chains and development. First of all, the process of touching down of value chains in a specific and territorially bounded business system, including the state, shapes the terms of inclusion and the conditions for development. Hence, to understand the development impacts of value chain-based interventions it seems essential to allude to variation in context and incorporate matters outside business management.

Secondly, next to the 'touching down' process, the processes of inclusion and exclusion affect potential development impacts of value chain-based interventions. The processes of including workers have been highlighted as uncharted terrain that requires more attention. Associative or collective action among small producers is often a precondition for their participation in particular chains so as to compensate for diseconomies of scale in production or transaction and logistics. Further conceptualisation of the institutional dimensions of inclusion processes is one of the tasks for multidisciplinary research teams.

Thirdly, the inclusion of, for example, large numbers of smallholder farmers, workers or small processing enterprises, and the geographical scale of business systems shifts attention to processes of leveraging. This challenges project-based interventions working with identifiable target groups in bounded communities, and poses the questions where and at what level interventions can achieve scale and what kind of intervention strategies are capable of managing leverage points through combinations of actors. It takes a change in mindset to make intended outcomes dependent on actions orchestrated or coordinated with others. Upscaling and leveraging development interventions requires teaming up with others and experimenting intervention strategies that go beyond the sphere of control of individual actors.

The final process relates to standard setting and upgrading. Mainstream thinking on value chains and small producers largely concentrates on the question of upgrading as an avenue towards improved income and employment or poverty reduction. Upgrading local producers means improving their capabilities for participating in particular value chains, which emphasises an intervention focus within the boundaries of these value chains. This improvement can take many forms, for example in the products they produce or in the functions they perform in relation to these. The discussion above suggests that this may be a too narrow entry point and points to other complementary processes shaping development impacts of value chain-based interventions.

Our discussion also suggests that the meta-framework developed in this paper has implications for how to conduct impact evaluation, particularly by detecting the inner workings of processes of which the outcomes emerge in specific contexts. We feel that evidence-based learning and impact evaluation is becoming more important, but we wish to stress that this begins with the formulation of explicit (and better) intervention theories. Likewise, ongoing initiatives, supported by various NGOs or included in the Sustainable Trade Initiative (IDH), may benefit from a workable linkage with the research community for formulating and investigating stronger hypotheses about what makes interventions and practices work for development in specific contexts.

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Annex 1: Propositions prepared for bilateral dialogues

This annex brings together propositions for bilateral dialogues organised by the DPRN project “Value chain governance and endogenous economic growth: how can NGOs, firms and governments achieve inclusion and poverty reduction?” on 28 September 2010.

The rationale for bilateral dialogues was to investigate in-depth and make explicit the particular intervention theories of each actor instead of a multi-actor consultation. This would hopefully set the right conditions for moving to a higher level of synthesis and abstraction for the purpose of synergy and future collaboration. During the dialogues, participants explored the explicit and implicit assumptions about development pathways that are fundamental to practices and strategies targeting inclusion and endogenous development.

The propositions follow from joint work by new combinations of researchers from a range of disciplines and theoretical traditions, which explored the conditions that make global value chains inclusive to vulnerable groups, such as small producers and workers in the South. In addition, the ways in which global value chains articulate with endogenous economic development were examined. Finally, the role of partnerships was discussed, which opens a discussion on what workable models for partnerships are able to make development impacts.

The propositions are, where possible, tailored to bilateral dialogues with businesses, NGOs and governments. They address three thematic fields:

- Inclusion (prepared by Otto Hospes and Joy Clancy)
- Embeddedness (prepared by Guus van Westen and Peter Oosterveer)
- Partnerships (prepared by Verena Bitzer and Roldan Muradian).

Propositions for businesses

Inclusion propositions – DPRN stakeholder dialogue

1. The key to understanding why interventions in value chains (partially) end up excluding small producers even when their policy design explicitly seeks their inclusion is to explore the concrete, ongoing systems of social, political and gendered relations in which economic behaviour is embedded, as these provide alternative rationales for participation or non-participation in value chains.
2. Narrowing down inclusion to economic inclusion, without paying attention to political and cultural inclusion in business programs, will generate many unintended or unforeseen consequences, like attracting the non-targeted and disappointing the targeted.
3. Scaling a programme at the local level (like the Farmer Field Schools in Kenya) provides great opportunities to incorporate the interests of small farmers, provided mechanisms are put in place that incorporate the voices and values of small farmers from the design to the implementation and evaluation of the programme.

Embeddedness propositions – DPRN stakeholder dialogue

1. A chain-based intervention can be effective by inserting local producers into (international) value chains. However, to have long-term and effective pro-poor impacts, the domestic business system should be considered as well and express a pro-poor orientation.
2. Business systems encompass the specific patterns of firm networking, the nature of competition between firms, the involvement of support institutions, and the political economy dimension of the local setting.
3. The greening of value chains can be effectively generated by interventions from dominant chain actors. As this will remain restricted to the producers already involved in the chain, to increase sustainability active interventions from local institutions are necessary by translating such practices to local production circumstances.

Partnership propositions – DPRN stakeholder dialogue

1. In interventions dealing with the inclusion of small-scale producers into value chains, there is a trade-off between empowerment (through the creation of supply capacity) and economic viability (which requires demand orientation). This is also reflected in the understandings of upscaling: businesses often emphasise quantitative upscaling, rather than upscaling through endogenous growth in civil society (enhancing the organisational capacity of producer organisations).
2. Another challenge for partnerships is to find common understandings of product quality and (smallholder) inclusion, as different actors (businesses, NGOs and governments) might have different ideas. In addition to classical market-based coordination with heavily standardised quality conventions found in value chains, different types of conventions rooted in domestic, civic and ecological spheres can be found in local communities. Value

chains ignoring these conventions or placing one-sided emphasis on either side are vulnerable to tensions which are likely to undermine their long-term viability.

Propositions for NGOs

Inclusion propositions – DPRN stakeholder dialogue

1. Setting up a comprehensive and integrated approach to the organisation of value chains will not lead to small farmer development, without a governance structure that tries to assure that all small farmers have the opportunity to participate in making decisions and receive information about business opportunities.
2. The transformation of a national NGO from channelling international charity to organising value chains provides a great challenge to reduce aid dependency and to stimulate entrepreneurship. However, the adoption and concentration of functions by the value chain organiser may also create new dependencies and new vulnerabilities. To address these, the representation of medium farmers, small farmers and rural workers in the governance of the value chain organiser is critical.
3. The key challenges of an NGO directed at value chain organisation are (1) to implement and coordinate value chain functions on the basis of a thorough understanding of social and cultural values that drive different economic chain actors and (2) to seek how these social and cultural values can be articulated in a compatible way through new institutional ways of organising the value chain.

Embeddedness propositions –DPRN stakeholder dialogue

1. A chain-based intervention can be effective by inserting local producers into (international) value chains. However, to have long-term and effective pro-poor impacts, the domestic business system should be considered as well and express a pro-poor orientation.

Business systems encompass the specific patterns of firm networking, the nature of competition between firms, the involvement of support institutions, and the political economy dimension of the local setting.

2. The local level is the logical integrative framework for innovations in value chains as it allows the alignment of activities and interests from different actors and interventions for upscaling. Achieving this integration needs the active involvement of local institutions: local governments, NGOs and local business networks.

Partnership propositions – DPRN stakeholder dialogue

Partnerships involving a lead firm engage more in building market institutions, offer more market outlets and reach a considerably higher number of farmers than partnerships without lead firm involvement. Thus, the ability of NGOs to act is significantly enhanced by the presence of a lead firm. (The absence of local business involvement does not seem to impact on the ability of partnerships to act.)

And now we begin to square the circle...

1. The involvement of lead firms (i.e. the constitutional structure of partnerships) determines the conceptual manifestation of partnerships: Partnerships are business-driven rather than producer-driven. This makes them less vulnerable to unfavourable local policy conditions. However, this partnership model faces a trade-off between empowerment (through the creation of supply capacity) and economic viability (which requires demand orientation). Moreover, a demand-orientation does not necessarily result in market access.

Propositions for governments

Inclusion propositions – DPRN stakeholder dialogue

1. Social inclusion in value chains is not necessarily good for the poor, nor do they necessarily want it. Two most valuable, but often neglected, sources of information to improve interventions, or to design or support new ones, are: (1) the reasons and mechanisms explaining why small farmers feel themselves adversely incorporated into a programme and (2) the rationales and values of small farmers that have excluded themselves from a programme (be it business, government or NGO).
2. The PMCA and Stakeholder Platforms are high potential mechanisms to reduce the extreme social and economic inequalities in the Andean region, for two reasons: (1) they basically address the political and cultural inclusion of small farmers in emerging innovations systems and (2) they do not concentrate on one scale but organise platforms at local, market chain and policy level.

Embeddedness propositions – DPRN stakeholder dialogue

1. A chain-based intervention can be effective by inserting local producers into (international) value chains. However, to have long-term and effective pro-poor impacts, the domestic business system should be considered as well and express a pro-poor orientation.

Business systems encompass the specific patterns of firm networking, the nature of competition between firms, the involvement of support institutions, and the political economy dimension of the local setting.

2. The local level is the logical integrative framework for innovations in value chains as it allows the alignment of activities and interests from different actors and interventions for upscaling. Achieving this integration needs the active involvement of local institutions: local governments, NGOs and local business networks.

Partnership propositions – DPRN stakeholder dialogue

1. The main challenges of value chain inclusion policies are to:
 - a. ensure the inclusion of marginalised small-scale producers;
 - b. not ‘over-support’ smallholder producers to avoid overdependence on public resources and expertise; and
 - c. design exit strategies which ensure the durability of outcomes.

-
2. The involvement of producer country governments in partnerships is often thought to contribute to local embeddedness and scalability. However, this is only the case if producer country governments can take over coordinating tasks in the partnership. Otherwise, they are expendable and weakly positioned strategically.

Annex 2: Report on the bilateral dialogues

The reports brought together in this annex present the discussion from (i) an actor (business, NGO and government) perspective and (ii) the perspective of three themes identified on the basis of the joint research effort, i.e. inclusion, embeddedness, and partnerships.

The programme of the bilateral dialogues, the parallel Provocation debate in the afternoon, organised by HIVOS, IIED and LEI-Wageningen UR, and the closing dinner event is included below.

1. Programme

PROGRAMME 28 SEPTEMBER 2010				
Morning programme Bilateral Dialogues				Afternoon programme
	ISS			Museum for Communication
	Dialogue with Business	Dialogue with NGOs	Dialogue with Government	Dialogue with Farmers' Organisations –
	Room: 4.14	Room: 4.25	Room: 4.26	
9:00 -- 9:10	Chair: Peter Knorringa (Institute of Social Studies) Rapporteur: Iris Monnerau (University of Amsterdam)	Chair: Bert Helmsing (Institute of Social Studies) Rapporteur: Lee Pegler (Institute of Social Studies)	Chair: Sietze Vellema (Wageningen UR) Rapporteur: Giel Ton (Wageningen UR)	Producer agency and the agenda to “make markets work for the poor” First of a series of provocative seminars (Hivos-IIED-ESFIM).
9:10 – 9:45	Case presenter Business Dave Boselie (Wageningen UR) Business logic to work on sustainability with farmer field schools and farmer groups.	Case Presenter NGO Georgina Gomez (ISS) An economically sustainable social enterprise arranging micro-finance and services for farmers in (export) chains PAC (Association Pueblos en Acción Comunitaria) Nicaragua / Woord & Daad	Case Presenter Government Hans van den Heuvel, Department for Sustainable Economic Development, DGIS, Ministry of Foreign Affairs Public involvement in collective action for market chain innovation – Competitiveness Agreements – Bolivia and the Andes region	Provocations from Latin America, Africa and Asia and grounded in work with producers and communities by: – Lorenzo Castillo, Junta Nacional del Café, Peru – Mohamed Shariff, Kabarole Research and Resource Centre KRC, Uganda

	Lipton Tea Kenya				
9:45 - 10:30	<p>Propositions on Inclusion</p> <p>Otto Hospes (Wageningen UR) & Joy Clancy (University of Twente)</p> <p>Rapporteur: Gerdien Meijerink (Wageningen UR)</p>	<p>Propositions on chains in business systems</p> <p>Guus van Westen (Utrecht University) & Peter Oosterveer (Wageningen UR)</p> <p>Rapporteur: Niels Beerepoot (University of Amsterdam)</p>	<p>Propositions on Partnerships</p> <p>Venera Bitzer (Utrecht University) & Roldan Muradian (Radboud University)</p> <p>Rapporteur: Greetje Schouten (Utrecht University)</p>		<ul style="list-style-type: none"> - Diego Muñoz, Mainumby Ñacurutú Research Centre, Bolivia and convener of global Learning Network “Small Producer Agency in the Globalised Market” - Sudhirendar Sharma, Knowledge Networking for Rural Development in Asia/Pacific Region ENRAP, India - Falguni Guharay, Servicio de Información Mesoamericano sobre Agricultura Sostenible SIMAS, Nicaragua
10:30 - 11:15	<p>Propositions on Partnerships</p> <p>Venera Bitzer & Roldan Muradian</p> <p>Rapporteur: Greetje Schouten</p>	<p>Propositions on Inclusion</p> <p>Otto Hospes & Joy Clancy</p> <p>Rapporteur: Gerdien Meijerink</p>	<p>Propositions on chains in business systems Guus van Westen & Peter Oosterveer</p> <p>Rapporteur: Niels Beerepoot</p>		
11:15 - 12:00	<p>Propositions on chains in business systems Guus van Westen & Peter Oosterveer</p> <p>Rapporteur: Niels Beerepoot</p>	<p>Propositions on Partnerships</p> <p>Venera Bitzer & Roldan Muradian</p>	<p>Propositions on Inclusion</p> <p>Otto Hospes & Joy Clancy</p>		

		Rapporteur: Greetje Schouten	Rapporteur: Gerdien Meijerink	
Dinner event (ISS)				
Column on Knowledge Agenda Business: Peter Knorringa (ISS)	Column on Knowledge Agenda NGOs: Bert Helmsing (ISS)	Column on Knowledge Agenda Governments: Sietze Vellema (WUR)	Column on Knowledge Agenda Farmers' organisations: Giel Ton (WUR ESFIM)	
Discussant: Hessel Abbink Spaink The Responsibility Lab B.V.	Discussant: John van Duursen, HIVOS	Discussant: Nathalie Olijslager, Department for Sustainable Economic Development, DGIS, Ministry of Foreign Affairs	Discussant: Falguni Guharay, Servicio de Información Mesoamericano sobre Agricultura Sostenible SIMAS, Nicaragua	

2. Bilateral dialogue with business

Chair: Peter Knorringa

Rapporteur: Iris Monnereau

Part I: Inclusion

The main reaction from the business perspective regarding the issue of inclusion relates to the question: when and to what extent are businesses responsible for the inclusion of farmers? Previously businesses were responsible for those in the chain but now they are also held socially and politically responsible for farmers in the value chain: "Where does our responsibility stop?"

From a business perspective inclusion is not on the agenda, as firms are in business to make profits. "Inclusion is not an agenda point from a business perspective". However, inclusion can in certain aspects aid the social profile of the company and therefore be of importance to a business where consumer pressure is felt. The Lipton case presented at the beginning of the meeting is such a case: Lipton felt consumer pressure to give the company a sustainable profile. From a business perspective the three dimensions of inclusion as mentioned by the presenters (political, economic, cultural) are too far-reaching. They understand businesses focusing on the economic inclusion of farmers but political or cultural inclusion are goals that are too far-reaching for businesses.

Inclusion of some groups nearly always means exclusion for other groups; there is not one type of farmer but a very heterogeneous group. In addition the point was raised whether standards should be set in the public or in the private sphere. Maybe it would be better if the public sphere decided on what standards should be set (e.g. no sweatshops).

Inclusion is not always the answer to improve the lives of farmers. Furthermore, you should consider who is pushing for inclusion, as this is often the government which has its own agenda. In some cases smallholders on a plantation might be better off than small independent farmers. One should therefore look beyond the 'included – excluded' dichotomy.

Part II: Partnerships

Partnerships come in many forms and sizes. They can be formed between chain actors themselves, chain actors and NGOs or government agencies, or a combination of these. Many different partnerships exist with many different goals.

The enhanced organisation of smallholders as a goal for partnerships is not always desired by lead firm businesses. As smallholders increase their bargaining position this might lead to conflicts with lead firms. At the same time their dependence could potentially shift from the lead firm to the partnership, so that they would still be dependent but on a different group. Although the organisation of farmers appears to be very important from a business perspective, that is not the case. Fair trade products for example were always rejected on quality and never on social issues. Physical consistency, shelf life, production on time, and

quality are always very important but products are rarely rejected because of social issues. Access to credit for producers is for example also much more important from a business perspective. For producers access to credit is the most important, together with quality and consistency of quality.

Some businesses explain they would rather see the role of intermediaries diminished. Nevertheless, others praise the work of middlemen in value chains as they often act as banks and, since lead firms cannot take on this role, intermediaries continue to be very important.

Business partners in the Dialogue did not think highly of partnerships with NGOs or government organisations. Their views on the participation of NGOs were generally very negative, as they were perceived to be ill informed. The role of the government was perceived to be even worse in most cases due to corruption, lack of knowledge etc. Partnerships were therefore not highly desired from a business perspective. In addition there is the problem of leadership. Usually lead firms have to take the lead role but whether they always wish to do so remains unclear. However, if they do not take the lead there is often no one else to take up this role. It is then better to have the lead firm leading the partnership than no partnership at all. At the same time the discussion concluded by saying that maybe we should be modest about what we can achieve with partnerships.

Part III: Embeddedness

In the discussion it quickly became clear that businesses regard the embeddedness of value chains as 'very common knowledge'. With every country where you do business you have different working relations. If you work in India or China, these relationships will be different because of the different embedding. Businesses do not expect value chains to be equal in different countries and regions in the first place.

The Lipton case illustrated the important supportive role of the government. It showed that it was relatively successful because there was already a good functioning structure in place where farmers were organised (to receive education and for other purposes) and had access to credit, and where the government played a supportive role.

Another issue that came up is the extent to which business are responsible for the trickle-down effects of learning outside the chain. The role and extent of the businesses in this cross-learning remains questionable, especially in cases where consumers do not care.

Certification demands come from consumers in the North, but not from Asia for example. Although certification appears to highly beneficial for smallholders it has also caused many small producers to lose their jobs because global certifications can make it much more costly to produce. The 'greening' of the value chain is therefore not always beneficial for small producers.

3. Bilateral dialogue with NGOs

Chair: Bert Helmsing

Rapporteur: Lee Pegler

Introduction/ summary – Case study and overriding themes

The PAC case study provided a provocative example of a particular path that an NGO might take in a local development/value chain context. Whilst it was not their initial choice, this former Christian food relief charity has succeeded in becoming an effective and financially buoyant farm business consultancy group. To a degree this has been helped by good leadership, organisational change and strong connections to the farmers' *realities*. However, its success is also underlined by very favourable initial conditions. Moreover there remain questions about who and how much it helps, its links to other networks, and whether this is a useful or appropriate model for NGO development.

Overall, a quite critical view came out of the discussion of this example. Inclusion is a contested process and, in this case, this translates into the fact that PAC only really offers benefits to some medium-scale farmers. The crowding out of other actors, particularly NGOs, was continually emphasised, as was the related issue of trade-offs in terms of the social versus financial objectives within organisational forms like PAC. As a process, few doubted whether leaders would come to dominate other actors in local chains but, even if this were not the case, they felt that mixed social-financial models offered few possibilities of any real/wide concept of empowerment as a result of such interventions/organisational changes. The following sections elaborate on these propositions concerning embeddedness, inclusion and partnerships as raised by the project. This report finishes with a few points as noted at the evening summing-up discussion.

The question of embeddedness

This issue was defined in terms of the extent to which an organisation involved the local business system and whether embeddedness (defined as a positive attribute) needed an active network of local institutions to be and remain successful. On the one hand, NGO representatives and those that work with them took quite a sober view of these issues. While working with cooperatives often brings a more participatory process, they work with who is there. Underlying their business experience with farmers and related organisations led them to question whether this mixed (social – financial) model was or could be best for either side of the equation. PAC has few local partners and both its financial benefits and governance structures needed further scrutiny. Maybe PAC just crowded others out, especially in more populous, less remote areas. Nevertheless, respondents still showed a strong belief that NGOs must engage with local processes and actors – any belief in the 'purity' of hands-off neutral business relations might be at risk as a result of local engagement. Yet these contexts are riddled by difficult social issues (e.g. child labour, contamination) that cannot be ignored by NGOs.

The question of inclusion

Following on from this, the inclusion propositions (is it participative? do value chain interdependencies mean that broader participation is even more important?) opened up further concerns for NGOs operating in such contexts. In this regard, there was no real opposition to the ideas that inclusion was problematic and a process and that it had economic, political and cultural dimensions. Yet all sorts of questions underlined scepticism over whether a model such as PAC was broad, participative or empowering. Instead participants noted that its priority is/will be financial, membership will change to reflect certain groups/'winners' and, reflecting the objective conflict point, that political inclusion and fundamental rights propositions (e.g. in respect of gender) would generally be seen in a poor light by local and international chain 'drivers'. Further questioning related to how participation is measured (group-based; do they have the ability to make informed choices?) and how participation occurred in practice. In this regard, PAC should be compared with other models and examples from the field. More cryptically, it was noted that it had taken advantage of concerns of a possible food crisis to make (smaller) farmer inclusion a more central area for discussion.

The question of partnerships

Responses to propositions concerning partnerships (the need for a lead firm; what might this mean, e.g. for a balance in respect of social-financial objectives?) brought a strong fieldwork and literature-based view of the power and reality of hierarchies within chains and local development processes. Lead firms may make coordination and the achievement of market entry and quality/quantity objectives more achievable, especially in the short term. Moreover, while it is desirable to have the countervailing influence of NGOs and other networks to challenge this, most saw this as a very difficult, sometimes ambiguous (e.g. on quality/efficiency issues; due to 'lock in' to leader firm standards) and long process of concertation. This underlined their concern, mentioned before, that over time mixed models of financial-social objective promotion were neither efficient nor viable. The trade-offs involved would require concerted action but by actors (and their networks) whose roles were more specific, separable and clearly defined.

Concluding comments

The summary event in the evening helped to bring many of the issues discussed in the business and government dialogues and in this NGO dialogue together. The most striking contrast to the NGO position described above was the (not surprising) view from business that inclusion was, if anything, to be narrowly defined. However, the challenges for further research involved the further examination of what patterns of chain governance we might see from value chain analysis and, in this context, what it might take to encourage employers to take any further steps in respect of such social issues. From the government group this underlined views of their role in helping to create and level out the 'playing field' for economic activity. Moreover, research must give government a better understanding of what works best (e.g. on lead firms but also on chain processes, logistics and social outcomes at various points in chains) and thus what will work best in respect of the promotion of sustainability and endogenous development, by government. What was

surprising at the dinner event was that the NGO representatives present did not use this discussion to reassert their role as advocates (versus their questioned role as representatives; or in respect of their earlier questioning of the difficulty of NGOs to be both financial and social actors). Sample bias may, however, explain this.

4. Bilateral dialogue with government

Chair: Sietze Vellema

Rapporteur: Giel Ton

Presentation of a case of government-supported value chain development

Hans van de Heuvel (DGIS/DDE) started the workshop by presenting a case in Bolivia of a programme to develop productive chains. The experience of the Dutch embassy was embedded in a unique public system of value chain development, called SBPC, that stimulates different actors in the chain to identify problems and visions to tackle the priority issues that limited chain performance.

The objective was to ‘get organised around some chains’ to increase income and poverty reduction. The Netherlands was the first donor. It worked on different chains, some major (‘cadenas’) and some minor (‘cadenitas’). In each chain, the objective was to pick out crucial aspects and work on them. The bigger chains were certified wood, quinoa and singani/wine. All three chain development processes had their distinct processes. The quinoa example was addressed more extensively, and is summarised below:

Quinoa is produced by 150,000 families in a harsh environment. It is traditional food, very nutritious, and has a niche in the gluten-free market. Support takes different forms: support for more sustainable and organic production, and the promotion of quinoa in national and international market. Linkages between exporters and producers were very politicised (white rich versus indigenous poor). The embassy decided to work with a facilitator as mediator: the NGO Fautapo. Fautapo had developed good relations with business and government on technical education, and were aware of multi-stakeholder sensitivities. They responded to the demands of chain actors. The context was very supportive, as exporting prices tripled. Investors started to invest with producer organisations in processing and drying.

Another activity supported was research. Research needs financing to make it happen. We invited Wageningen to work on pheromones against moths. Light traps proved not to be effective. “If we can prove that it works, it will have a big market.” It took half a year to identify and test it. The quinoa sector funded Wageningen directly, without embassy money, to do this research (thanks to the good price for quinoa). They created demand in the field and linked up with local research institutes. This is in line with a new strategy in DGIS: attention to the phasing out of developing cooperation.

Due to this, the new Morales government became interested and joined in again. After some conflicts, the government took a more constructive role; they did not create obstacles but supported change on the private sector issue with enabling policies.

Towards an agenda for value chain research

The discussion during the morning session was wider than this example, but often returned to it as an illustration of good practice for government. The following is a free interpretation of the arguments and discussions on good practices and key research themes that would

help government to refine or reflect on the assumptions in these value chain development policies.

'good policy practice'	'research needs to refine or reflect'
Government has to facilitate processes that make service providers stay .	What are incentive structures that may channel public funds without creating over-dependence.
Prevent over-support and over-dependency with a clear exit strategy.	What have been the sequences of development interventions and support moments, and is there room/need for more stable government policies?
To manage the tension between pro-poor and chain viability, fine-tuning of interventions in needed to prevent lopsided development.	How to build the moments and processes to 'fine-tune' in the intervention design.
Local governments can take up more coordination/facilitation tasks, though chains often have dynamics on a higher scale.	Policies and regulations that enable local governments to take up a role in private sector support.
Chain facilitation has to provide a 'niche' for the creation of capabilities for coordinated action (social capital) and is therefore always embedded in social and political dynamics.	What are the rules and regulations that help to cope with the tendency for opportunistic behaviour in collective action?
Be precise and modest on what a partnership can do: look for solutions for practical problems on key bottlenecks in the chain, do not discuss prices or margins between chain actors directly.	Are there other processes to work on equity between the different actors in the value chains?
Take account of differences in context and do not think that 'best practices' can be translated, or will have the same effects (e.g. in certification schemes).	What are the processes that can be built in the design of policies and interventions that may generate more sensitivity for contextual differences?

'good policy practice'	'research needs to refine or reflect'
Specific single-stakeholder preparations with the poor are needed to make powerless sectors participate fully in multi-stakeholder processes.	Are consultation modalities socially embedded and genuine?
By bringing chain actors together to identify bottlenecks and strategies, there is 'embeddedness by design'.	Explore the tension between long-term (strategic/systemic change) and short-term priorities in chain development
Partners need to be genuinely interested in working together, and understand each others' perceptions and not consider each other only as actors in a play.	Ways to create knowledge and openness on differences and rationale?
Prescribing the inclusion of small farmers in chains is not necessarily good for them. The process to enable inclusion is important, the fact they do or do not participate in it is less so.	Understand the rationale of persons that have consciously excluded themselves.
Including 'representatives' may not be a guarantee at all. There is often 'assumed representation' without links to the people in the field.	Check mechanisms of representation and communication in multi-scale consultation processes.
You need facts to identify and explain results of chain partnerships, both on intended and unintended results.	Processes for identifying and monitoring meaningful indicators/information that helps learning on impact pathways: a challenge for the Partnership Resource Centre.

5. Report on propositions on inclusion

Propositions: Otto Hospes and Joy Clancy

Rapporteur: Gerdien Meijerink

Dialogue with business

Propositions

Inclusion proposition 1

The key to understanding why interventions in value chains (partially) end up excluding small producers even when their policy design explicitly seeks their inclusion is to explore the concrete, ongoing systems of social, political and gendered relations in which economic behaviour is embedded, as these provide alternative rationales for participation or non-participation in value chains.

According to Hospes and Clancy, inclusion has three dimensions:

- 1 Economic
- 2 Political
- 3 Social

All three dimensions should be taken into account in a process like certification. A lack of understanding of those dimensions may result from a narrow focus on the economic dimension only, possibly leading to unintended consequences. Smallholders are included in various social and political systems. This inclusion into other systems (e.g. of kinships, economic relationships, etc.) is an important determinant of the extent to which smallholders want to be included or not. Certification may end up excluding certain smallholders. To discover why, all three dimensions should be taken into account.

Inclusion proposition 2

Narrowing inclusion down to economic inclusion, without paying attention to political and cultural inclusion in business programmes, will generate many unintended or unforeseen consequences, like attracting the non-targeted and disappointing the targeted.²

Inclusion is often narrowed down to the economic dimension, to mean whether smallholders receive economic benefits. Taking into account more dimensions means whether smallholders are also politically included ('have a voice') or even culturally included (obtain other values besides monetary value).

² Targeted by the programme, e.g. the certification process.

Inclusion proposition 3

The scaling of a programme at the local level (like the Farmer Field Schools in Kenya) provides great opportunities to incorporate the interests of small farmers, provided mechanisms are put in place that incorporate the voices and values of small farmers from the design to the implementation and evaluation of the programme.

Scaling – for example through decentralisation at a local level – does not guarantee that the interests of smallholder farmers, women, etc. are incorporated. The key is that whatever the scale, their voices and values need to be organised and there should be mechanisms in place to do this.

Discussion

The discussion centred around two main issues:

- 1 Who decides which values are important in certification?
- 2 Should smallholders always be included?

The **first issue**, about which values are important in certification, had two parts. First, which values are important? Hospes and Clancy argued that not only economic values are important. However, other participants argued that, to smallholders, income is really the most important. This led to the second part, which addressed the question 'who determines which values are important?' Is it the business (e.g. Lipton)? Dave Boselie argued that because there is an abundance of standards and claims, certification has become highly complex for businesses. A business will choose a certain certification pragmatically: a label that harmonises well with its business practice and that adds value. For instance, Fair Trade matches well with Ben and Jerry's, the Rainforest Alliance matches well with Lipton (plantations). However, it was argued that businesses do not determine the values incorporated in labels. It is the final consumer who decides what kind of product they want, including the values that product represents: no child labour, environmentally friendly, etc. However, the consumer cannot be – and really does not need to be – aware of all values. There is a role for the government to set certain basic standards. For instance, governments should ensure that no product is made with child labour.

The **second issue** on whether smallholders should always be included centred around the question whether inclusion was in fact an important issue. Dave Boselie mentioned that the inclusion of all smallholders was not a priority for Lipton. Smallholders who could comply with the standards set by the certification were included, while all others were excluded. Certification thus involves deliberate exclusion as well. As more farmers are able to comply with certain standards, more are included and certified. The government may make certain standards compulsory (pass them into law) when a critical mass of farmers is able to comply with them. A label will then become policy.

However, inclusion may not always be to the benefit of smallholders themselves. As one participant put it: "Are we including more smallholders to produce an oversupply for a very low income?". This led to the question how to measure the success of inclusion? In terms of

quantity: the number of smallholders included, or in terms of quality: the income earned per smallholder included? It could be argued that the inclusion of smallholders keeps smallholders poor. Most smallholder farmers do not see their or their children's future in farming. They may be able to benefit more by engaging in different parts of the chain, or by becoming wage labourers. There was agreement that there was a certain amount of 'romanticising' of smallholders in many debates on inclusion, especially by NGOs.

A final point discussed was that in economic development smallholder farmers often become larger farmers or leave the agricultural sector altogether, which may mean that the inclusion agenda ceases to exist. This has happened in many developed countries (notably the Netherlands). In many developing countries this may not be the case for a number of reasons: a lack of employment in other sectors, cultivation practices for certain crops (such as coffee) that cannot be mechanised and will therefore continue to employ smallholders.

Research could analyse the inclusion agenda from different angles: for example, how does a certain value chain or certification process affect those *not* included, using the different dimensions suggested by Hospes and Clancy.

Dialogue with NGOs

Propositions

Inclusion proposition 1

To set up a comprehensive and integrated approach to the organisation of value chains will not lead to small farmer development – without a governance structure that tries to assure that all small farmers have the opportunity to participate in making decisions and receiving information about business opportunities.

Discussion on proposition 1

The proposition was turned into the question: "how to focus on the have-nots". The discussion centred on two main questions:

1. Are all the dimensions of inclusion (economic, social, cultural) equally important?
2. What is the role of outsiders (in this case NGOs)?

On the first question, the argument was made that the really poor focus mostly on economic benefits. Social, cultural and political values become important only after certain basic economic needs have been fulfilled. However, even for the relatively better off, other dimensions such as political inclusion may not be the most important. As one participant put it: "If you have a busy business, why have a voice?". Besides not feeling a need for political inclusion, farmers may not have time to attend meetings organised by an NGO. This assumes of course that processes of economic and political inclusion are separate, i.e. that farmers can be economically included without being politically included.

On the second question, various participants cautioned against outsiders (such as an NGO) imposing values on smallholder farmers. Who decides which values are important? Who finds

political inclusion, the fact that farmers are empowered, important? Outsiders should be careful when emphasising certain values for two reasons:

1. By trying to empower certain groups, NGOs may start changing rules as well as the status quo, which may lead to a clash between the privileged and the non-privileged and lead to social or political unrest.
2. By focusing on many different dimensions, there is a risk of overloading the project with objectives.

Inclusion proposition 2

The transformation of a national NGO from channelling international charity to organising value chains provides a great challenge to reduce aid dependency and to stimulate entrepreneurship. However, the adoption and concentration of functions by the value chain organiser may also create new dependencies and new vulnerabilities. To address these, the representation of medium farmers, small farmers and rural workers in the governance of the value chain organiser is critical.

The discussion focused on whether dependency was such a bad thing, as Hospes and Clancy suggest. With respect to the case study, but also in general, the question is whether there are alternatives to the services that an NGO like PAC provides. Also, the concept of a singular value chain is usually not correct as farmers often participate in multiple value chains, and are therefore more independent than a superficial analysis may suggest. For an NGO that is starting a programme, the choice is to strengthen an existing system or create an alternative system.

It makes a difference in the dependency relationship between NGOs and farmers whether an NGO provides free services or asks farmers to pay for them. A free service may benefit the poor, but may also make the service more paternalistic. When a NGO shifts from providing services for free, to asking payment from farmers, their relationship changes. An NGO that provides services for payment becomes more service oriented, and will give farmers more say in its operations.

Inclusion proposition 3

The key challenges of an NGO directed at value chain organisation are (1) to implement and coordinate value chain functions on the basis of a thorough understanding of social and cultural values that drive different economic chain actors and (2) to seek how these social and cultural values can be articulated in a compatible way through new institutional ways of organising the value chain.

This proposition was not discussed

Dialogue with government

Inclusion proposition 1

Social inclusion in value chains is not necessarily good for the poor, nor do they necessarily want it. Two most valuable but often neglected sources of information to improve interventions, or to design or support new ones, are (1) the reasons and mechanisms explaining why small farmers feel themselves adversely incorporated into a programme and (2) the rationales and values of small farmers that have excluded themselves from a programme (be it business, government or NGO)

Inclusion proposition 2

The PMCA and Stakeholder Platforms are high potential mechanisms to reduce the extreme social and economic inequalities in the Andean region, for two reasons: (1) they basically address the political and cultural inclusion of small farmers in emerging innovations systems and (2) they do not concentrate on one scale but organise platforms at local, market chain and policy level.

Discussion

The fact that farmers should be free to decide to 'exclude' themselves seems an open door. However, there has been little attention in practice to this question. The rationale and values of farmers who have excluded themselves (on purpose) may be insightful. A deeper understanding of how inclusion and exclusion take place may lead to a better understanding of the role of donors, governments, NGOs, etc in changing the process of inclusion.

This said, the inclusion of certain groups (e.g. smallholders) is a tool and not a goal in itself. Who to include depends on the objective of inclusion. It is often assumed that the inclusion of smallholder farmers will lead to economic development or poverty alleviation. However, this assumption needs to be tested. In the case of PAC Nicaragua, the impact on poverty seems very small. The question then arises "is it not a waste of time to include very small farmers at the bottom of the chain?".

Donors could use four questions to evaluate the success of programmes that contain elements of inclusion:

1. How do farmers appreciate inclusion?
2. Why do some not want to be included?
3. What are the social, cultural and political dimensions of exclusion and inclusion?
4. How does scale pertain to inclusion?

Donors have had evaluation programmes for many years, but are not always able to learn from them. This may be an area where research and donors can collaborate. Research can help in discussing the assumptions underlying models, leading to a better understanding of when inclusion has a pro-poor effect. This can be translated into the actual monitoring protocols, programmes etc. that donors use.

6. Report propositions on embeddedness

Propositions: Guus van Westen and Peter Oosterveer

Rapporteur: Niels Beerepoot

Embeddedness propositions

A chain-based intervention can be effective by inserting local producers into (international) value chains. However, to have long-term and effective pro-poor impacts, the domestic business system should be considered as well and express a pro-poor orientation.

The local level is the logical integrative framework for innovations in value chains as it allows the alignment of activities and interests from different actors and interventions for upscaling. Achieving this integration needs the active involvement of local institutions: local governments, NGOs and local business networks.

Understanding the embeddedness of value chains

The key insight of relational approaches towards economic development is that the performance of firms depends not only on their own, 'in-house' assets and capabilities, but is also influenced by the environment in which they operate, i.e. the nature of their links with other actors (Andriess *et al*, 2010). Value chain analysis looks for explanations in 'vertical' network structures, functionally linking firms with suppliers and buyers. The business systems approach, in contrast, departs from the fact that each economic actor is anchored 'horizontally' in a specific society or geographical setting that may also affect their performance in different ways. Business systems analysis assumes, therefore, that the characteristics of spatially embedded institutions affecting economic relations play a key role in economic development. The business systems approach views different institutional domains of the economy – industrial relations, finance, corporate governance, training and social protection systems – holistically as specific, non-random configurations of capitalism (Deeg and Jackson, 2007). The accomplishment of the business system approach is the emphasis on how core institutions continue to shape the behaviour of firms and other economic actors in spite of converging forces of globalisation. The co-evolution of institutions within a given place implies that actors are likely to be influenced by this geographical context, even if incorporated in de-territorialised organisational frameworks like Global Value Chains.

The bilateral dialogues between stakeholders involved in value chain interventions (business sector, government, NGOs) and academics were meant to reveal the implicit and explicit foundations and principles underpinning the intervention strategies of different social actors. In the case of the thematic field of embeddedness this means understanding how the grounding of international value chains within particular (regional) business systems is considered by the stakeholders and taken into account when pursuing their value chain interventions. The use of value chains as an analytical tool led to interventionist strategies that are often focused on facilitating and strengthening key actors in the chain or improving the access of smallholders to (international) value chains. The starting point for our

discussions is to what extent the diversity of local institutional settings in which firms are embedded is considered in these interventions.

Dialogue with NGOs

Three broad categories of issues were addressed in the dialogue with NGO-representatives: the impact of the type of value chain (and stakeholders involved), the type of NGO intervention, and the end-goal of the intervention. The starting point was how chain promoters (e.g. producers associations, cooperatives, business associations) can perform their role in captive value chains that offer limited freedom to operate or scope for independent (local or outside) intervention. Chains often shift too fast (between type of supply, suppliers, regions, countries) for locally embedded actors to respond. Additionally, locally embedded actors often lack the expertise (and financial capacity) to provide effective support or be in the same 'level playing field' with the key players in international value chains. This is furthermore enhanced by ideological barriers and built-in friction (and even lack of trust) between stakeholders. For outside NGO intervention there is no common strategy to facilitate the access of smallholders to (international) value chains. Practitioners' experience led to the observation that the type of alliances that can be created within value chains vary per country and region. A much stronger local cooperative tradition (like that in parts of Latin America) favours the enhancement of local producers associations while (independent) NGO-type interventions are more suitable in cases where the local production structure lacks coherence and is dominated by a few larger players. Nonetheless, the price level for their products is often decisive in whether smallholders are committed to any associational type of organisation, whereby higher prices lead to lower levels of commitment.

The critical issue in the discussion on the NGO contribution to value chain development is the kind contribution outside actors can make to strengthen the local enabling environment where firms operate. NGOs should not have the ambition to try to develop or re-create local business systems. Outside NGO intervention runs the risk of substituting and crowding out other local service-providers (as in the case of outside providers of micro-credit) or putting up a barrier to the further development and enhancement of the local supply of services. It can be most successful when it offers services that do not disrupt already available local supply while there is a clear trajectory (and end-goal) for NGO involvement. In some cases, outside NGO interventions turn out to be not as sustainable as there is no exit strategy or handing over of responsibility to local stakeholders. In this case, the presentation at the start of the session (on a producers' association in Nicaragua) provided a successful example on how an organisation (PAC, Communitarian Action People Association) that initially operated under the umbrella of an outside NGO transformed into a well-connected social enterprise at the heart of the local business system.

The third issue discussed was the degree of inclusiveness in local networks and the criteria which decide who has access to these networks. Should NGO interventions be aimed at the number of smallholders involved or their opportunity to make their voice heard? This subject of quantitative or qualitative inclusion (in relation to the type of value chain and stakeholders involved) as well as the conceptualisation of smallholders' empowerment requires further

empirical investigation. During the discussion, there was no agreement among the participants on what are the success factors when evaluating the impact of the NGO intervention to promote inclusion in value chains and enhance local business systems.

Dialogue with government

Starting from the observation on how local governments can enhance the enabling environment as a precondition for value chain interventions, the discussion centred on how institutions at multiple-scale levels impact on chain governance. From such a perspective, the scope for independent action by local actors would depend on the type of chains in which producers are embedded and the relative impact of local institutions vis-à-vis national institutions and the forces of globalisation. A shared observation is that multi-stakeholder approaches tend to be silenced by the big(ger) players in local production networks. Within local producers associations, the elite capture of benefits (as opposite to broad-based coalitions of producers) has already been a critical issue in rural development efforts for the past few decades. The absence of a collective interest and selective cooperation of producers with local facilitating institutions leads to incomplete business systems and limited scope for collective learning.

An issue for further investigation is the extent to which value chain interventions operate in a vacuum or are integrated in a wider set of local development interventions. The use of value chains as analytical tools assumes that the chain actors possess knowledge on the stakeholders and power structures present within value chains. In practice, many smallholders and individuals work in different value chains at the same time, often without recognising the particular chains they are embedded in (let alone recognising all the stakeholders involved). This requires more generic value chain interventions which complement wider sets of local development efforts (e.g. infrastructure development, education). At the same time, it supports the argument that greater knowledge is required of the touching down of value chains in local business systems.

Dialogue with business

Recommendations from the business-sector called for more attention to be given to 'ordinary' value chains of staple goods and how these producers can be linked to national and global players. Value chain research still focuses on low-quantity niche-products for international markets (e.g. coffee, cocoa) rather than staple goods or basic commodities, with limited scope for adding value. Many multinationals are increasingly interested in sourcing from local suppliers in developing countries, but the local support infrastructure that could link them with smallholders is often absent. This strengthens the necessity to look into the local business systems in which these smallholders are embedded (and the agents that decide on their external relations) as it was emphasised that markets should work before they work for the poor. This would mean that the access and pro-poor orientation of national value chains should be enhanced before addressing the integration of smallholders in international value chains.

A key issue for debate is who should take the initiative for imposing (global) standards like in the case of 'greening' value chains. Outside value chain intervention runs the risk of

creating separate spheres of production as ‘islands of sustainability’ within local production communities. Ways in which the sustainability efforts of value chains can have wider, positive, local spill-over effects (for example when producers that are part of international value chains also serve local/national markets) should be explored. Additionally, local dissemination of best practices (outside the value chain) sometimes takes place through unconscious learning effects. This requires the involvement of local partners (such as governments) but it is hindered by lack of local capacity and expertise when it comes to implementing and monitoring quality standards. Implementation of international quality standards can be complicated in countries with a big domestic market that operates as a separate domain of production (like in India or China). Another issue is that quality standards push up costs, which small producers often find difficult to pay. This strengthens the observation that the inclusion of smallholders in international value chains should not be the objective as such, but weighted against possible risks of inclusion.

Subjects for further investigation

The bilateral dialogues demonstrated the relative neglect of the local business environment in which value chains touch down. The local institutional environment is seen as static and actors are considered to be in different level playing fields. However, in business transactions between chain actors the local social and cultural conditions are taken into account and are part of country-specific and region-specific approaches. This makes the added value of the business system approach (as a tool for understanding the societal embeddedness of business activities) sometimes difficult to understand for the partners in the bilateral dialogues.

The inclusiveness of smallholders remains a subject for debate within value chain analyses, but, as the three dialogues emphasised, it should not be an objective as such. This confirms the observation that neither value chain analysis nor business system theory was originally formulated to explain inclusion or exclusion in regional economic development (see Andriess *et al*, 2010). Another issue for further study is the comparable mechanisms which could work between chain actors in different places in order to avoid a situation in which interventions are only successful in a particular country or regional context.

7. Report on propositions on partnerships

Propositions: Venera Bitzer and Roldan Muradian

Rapporteur: Greetje Schouten

Dialogue with government

Propositions

1. Key challenges of value chain inclusion policies are to:
 - a. deal with the tension between pro-poor development/producer empowerment (building local supply capacities) and economic viability (demand-orientation)
 - b. tot 'over-support' small-scale producers to avoid overdependence on public resources and expertise (which risks economic viability) and design exit strategies to ensure the durability of outcomes.
2. The involvement of producer country governments in partnerships is often thought to contribute to local embeddedness and scalability. However, this is only the case if these governments can take over the coordinating tasks in the partnership. Otherwise, they are expendable and weakly positioned strategically.

Discussion

The participants in the discussion tried to connect the political reality of governments to the conceptual challenges of governments in partnerships and value chain interventions. A first difficulty related to the conceptual complexity of the term government. It is important to specify which government is addressed. Furthermore, the dynamic nature of governments can result in an unstable situation. Governments change over time and there can be possible conflicts in the interplay between different levels of government (national versus local). In practice, this dynamism generates difficulties for the role of governments in partnerships and for the implementation of partnerships more generally. A long-term perspective on projects, such as partnerships, is often lacking, because governments mostly think in a time span of four or five years according to election periods. A longer time span is needed to see if the social capital developed also persists after a project has ended. This is specifically relevant in terms of the durability of interventions, also for governments that function as donors. Farmers' organisations, like governments, are also dynamic and their leadership changes from time to time. This can be a reason not to include them in partnerships, or a reason for governments to try to strengthen them.

In an ideal situation, the private sector is the motor for economic growth, while governments intervene to promote an equitable distribution of income. In practice, under the aforementioned constraints and political realities, the role of governments is two-fold:

1. Creating space to enable collective action. Governments should play a facilitating role in creating the opportunities for actors to come together. In other words, creating a playing

field that enables economic viability; for example by providing a regulatory framework for partnerships in endogenous business systems (this encourages investments by value chain actors and improves the quality of value chain linkages).

2. Levelling the playing field. For example by defining the terms of inclusion and by managing uncertainty and vulnerability at the bottom of the chain.

The corrective role of governments is often translated into ‘creating a playing field’ rather than ‘levelling the playing field’. But creating a playing field does not imply a government is working on inequalities. For levelling a playing field other mechanisms are needed, including producer organisations. Two possible constraints to taking on these two roles are: (1) costs (a facilitating role is very costly) and (2) governments are not considered neutral by all actors in the chain; this might constrain them from being a good facilitator.

The tension between pro-poor development/producer empowerment (building local supply capacities) and economic viability (demand-orientation) from the first proposition was also addressed during the discussion. What has been done to address these tensions? Governments, particularly donors, should be modest about what can be done within a project, such as a partnership. Because there needs to be a common interest in multi-stakeholder projects, there are limitations as to what are feasible outcomes. Therefore, in some cases governments have to work directly with specific chain actors and choose sides on who to help.

Knowledge gaps

- How can governments not only ‘create a playing field’, but also ‘level this playing field’?

A related question is:

- What roles can governments play in resolving tensions between economic viability and pro-poor development?

Dialogue with business

Propositions

1. In interventions dealing with the inclusion of small-scale producers into value chains, there is a trade-off between empowerment (through the creation of supply capacity) and economic viability (which requires demand orientation). This is also reflected in the different interpretation of upscaling: businesses often emphasise quantitative upscaling, rather than upscaling through endogenous growth in civil society (enhancing the organisational capacity of producer organisations).
2. Another challenge for partnerships is to find common understandings of product quality and (smallholder) inclusion, as different actors (businesses, NGOs and governments) might have different ideas. Next to (classical) market-based coordination with heavily standardised quality conventions found in value chains, different types of conventions rooted in locality, ecology and social justice can be found in local communities. Value

chains ignoring these conventions or placing one-sided emphasis on either side are vulnerable to tensions which are likely to undermine their long-term viability.

Discussion

The discussion about the trade-off between the empowerment of smallholders and economic viability revealed two separate views from a business perspective. The first view is that there is no trade-off between empowerment and economic viability, because economic viability empowers farmers. The second view holds that economic viability and empowerment are two steps in a development process: economic viability is a prerequisite in this sense. In this view capacitation or economic empowerment is necessary, but not sufficient. This reveals different definitions of the concept of empowerment. In the first view, empowerment is equal to economic capacitation, while in the second view empowerment is defined as giving smallholders a strong and independent position in the value chain. Therefore, strong organisations locally should be created and local collective action organised.

In the discussion the tension between local conventions and quality conventions in the value chain was recognised from a business perspective. Local conventions do not create market access; only market-based, industrial conventions matter to buyers. This was illustrated by the fact that when Fair Trade products are rejected it is always due to the physical quality of the product and never because of social factors. This creates a problematic situation inasmuch as it reduces the local specificity of a product, which makes products substitutable. This substitutability gives more power to buyers. The question is thus, who can ensure the integration of other conventions: NGOs or governments? It was claimed that these issues could only be addressed by partnering with the right actors. The discussion revealed a negative view of NGOs and governments on the part of business actors. Although it is often suggested that NGOs represent local, producer-oriented values, discussants argued that NGOs lack the ability to integrate local conventions in value chains, since they are located in big cities and do not necessarily have (access to) local knowledge. This was seen as even worse for governments, since they oftentimes have no interest in empowering smallholders and government structure is often lacking. When government and NGO structures are lacking, business can possibly provide structure on the condition that market-based conventions regarding product quality take priority.

Actors in general should be more modest about what partnerships can achieve and become stricter when it comes to participating in or funding partnerships. From the discussion it became clear that most businesses are not working on an alternative development agenda, but rather on making profit.

Knowledge gaps

- How can economic viability be organised in such a way that it contributes to the empowerment of smallholders and supports the development agenda?
- Who can ensure the integration of other local conventions into the value chain?

Dialogue with NGOs

Propositions

1. Partnerships involving a lead firm engage more in building market institutions, offer more market outlets and reach a considerably higher number of farmers than partnerships without lead firm involvement. Thus, the ability of NGOs to act is significantly enhanced by the presence of a lead firm. (The absence of local business involvement does not seem to impact on the ability of partnerships to act.)

And now we begin to square the circle...

2. The involvement of lead firms (i.e. the constitutional structure of partnerships) determines the conceptual manifestation of partnerships: partnerships are business-driven rather than producer-driven. This makes them less vulnerable to unfavourable local policy conditions. However, this partnership model faces a trade-off between empowerment (through the creation of supply capacity) and economic viability (which requires demand orientation). Moreover, a demand-orientation does not necessarily result in market access.

Discussion

The discussion in the NGO stream seemed to be the most fragmented one. Like in the discussion with government and business actors, the local (political) context was mentioned as an important factor to take into account when dealing with partnerships. NGOs seem to have very different and even opposing views on engaging in partnerships with lead firms. Some NGOs are of the opinion that they have to engage in partnerships with lead firms when working towards smallholder development. They feel that partnerships between local producers and international companies are needed to prevent smallholders from being excluded in value chains under influence of global standards. The dialogue with lead firms is very important, precisely because they hold such powerful positions. Therefore, NGOs should take on an intermediary role to mediate between farmers and lead firms and check whether a partnership serves the interests of smallholders. Other NGOs argue that it might be more difficult to achieve smallholder inclusion if a lead firm is not involved, but that engaging with lead firms is not a prerequisite for this. Another view in the NGO group is that partnerships certainly should not be organised around a lead firm, because that works against the empowerment of small producers.

In most cases, smallholders can sell their produce to more than one lead firm or supermarket, which gives them a certain amount of bargaining power. Smallholders producing certified products can often only sell them to the lead firm in a partnership, which creates a certain relationship of dependency. This is not necessarily negative for smallholders. The question is do they still benefit, once a partnership project is finished? Maybe a shift in focus is needed in what markets to target. Partnerships and value chain interventions often focus on connecting smallholders to international markets. Domestic markets in large parts of the developing world are growing fast nowadays and gaining in

importance. Local markets can be valuable for small producers, for example by increasing competition among buyers and thereby increasing their bargaining power.

Organising farmers to be able to upscale their production is another potential NGO role that was mentioned during the discussion. Products produced by smallholders are often interchangeable. Organising farmers to create economies of scale can increase their bargaining power. The question was raised how, where and under what conditions NGOs can invest in capacity building at the local level. In organising farmers, NGOs should not forget about the issue of quality, because standards become increasingly important. In some cases, lead firms are blaming NGOs for creating confusion with regard to standards, which should be avoided.

Knowledge gaps

- Should NGOs engage in partnerships with lead firms and under what conditions?
- How can NGOs contribute in creating scale in agricultural production of smallholders (critical mass) and improve the quality of production?
- How and under what conditions can NGOs invest in capacity building at the local level?

