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Please cite this publication as follows:

Glin, L. C., Oosterveer, P. J. M., & Mol, A. P. J. (2015). Governing the Organic Cocoa Network from Ghana: Towards Hybrid Governance Arrangements? *Journal of Agrarian Change*, 15(1), 43-64. DOI: 10.1111/joac.12059

You can download the published version at:

<https://doi.org/10.1111/joac.12059>

## **Governing the Organic Cocoa Network from Ghana: Towards Hybrid Governance Arrangements?**

LAURENT C. GLIN, PETER OOSTERVEER AND ARTHUR P.J. MOL

*In this paper, we examine the processes of initiation, construction and transformation of the organic cocoa network from Ghana. We address in particular how the state responded to and engaged with civil-society actors in the organic cocoa network and to what extent state involvement reshaped state–business–civil society relations? While most of the literature argues that globalization and liberalization processes weakened the state’s position as key player in the development and management of agro-food networks, the case of the (organic) cocoa sector in Ghana is often depicted as an exception because of the strong position the state still occupies in it. Employing a global commodity network perspective to analyse the Ghanaian organic cocoa case, this paper demonstrates that although the state is still a major player in the contemporary (organic) cocoa network, some hybrid governance arrangements, involving state, transnational and national NGO networks, and businesses, are emerging. The organic cocoa network also prompted a double process of ‘dis- and re-embedding’ at the local level that helped shape and strengthen the organic cocoa network.*

*Keywords:* organic cocoa, global commodity network, governance, state, trust, Ghana

### INTRODUCTION

Many contemporary environmental problems are rooted in agro-food provisioning systems. These systems are held at least partially responsible and accountable for reductions in biodiversity, destruction of ecosystems, surface and groundwater pollution, and global warming (Oosterveer et al. 2011). Hence, the greening of agro-food production, processing and marketing can be a major contribution to sustainability. The emergence of post-Fordist production regimes that put quality issues – including environmental concerns – at the heart of agro-food provisioning systems should be interpreted in this way.

In the cocoa sector, the improvement of sustainability performance is emerging as a strategy within global commodity chains and networks (Ton et al. 2008; Bitzer et al. 2012). A

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This research was supported by the Netherlands Fellowships Programme. We thank Dr Anthony Cudjoe, Willem-Albert Toose, Samuel Adimado and Abraham Fosu for their collaboration, and Sheriff Adompreh and Francis Acquah for their field assistance. We are also very grateful to the Editor of the *Journal of Agrarian Change* and two anonymous reviewers for their insightful and constructive comments.

number of initiatives by both public and private actors are being introduced at different levels to make the global cocoa network more sustainable. A major driver of this trend is the rising consumer demand for more environmentally friendly and socially fair products. For instance, according to Euromonitor International, sales of organic chocolate reached US\$304 million in 2005, an increase of 75 per cent in comparison to 3 years earlier (ICCO 2007, 28). West Africa deserves particular attention because it is the globally leading production region, providing more than 70 per cent of all cocoa, and also the location of several fair-trade and organic initiatives. In Ghana, which is the second-largest cocoa-producing country, organic cocoa farming started in 1997 and from 2005 onwards Ghana's organic cocoa has been certified and exported to the global market. Currently, more than 5,000 smallholder farmers are involved in the organic cocoa network, besides other stakeholders at sub-, national and supra-national levels, such as farmers' organizations, licensed buying companies, non-governmental organizations (NGOs), several public organizations and institutions and importers.

This study examines how this Ghana-based organic cocoa network has been initiated, constructed and transformed over time, and addresses in particular how the state responded to and engaged with organic cocoa, and the extent to which state involvement reshaped state-business-civil society relations. Many authors argue that not only globalization and liberalization processes but also the rise of organic/alternative agro-food markets weakened the state's position as key player in the development, organization and management of food production, processing and marketing (e.g. Joosten and Eaton 2006). It is argued that in alternative agro-food networks (such as organic, fair trade and slow food) civil-society organizations (mainly NGOs) take over the state's central role, and become the main institution in governing (alternative) agro-food commodities (e.g. Busch and Bain 2004). However, the Ghana (organic) cocoa sector is always presented as an exceptional case. In fact, unlike the full liberalization of cocoa marketing systems in other countries, the Ghanaian government opted for gradual and partial reforms in the cocoa sector (Fold 2002; Laven 2011). Thus, most studies portray the (organic) cocoa network from Ghana as still mainly state-led. This research is challenging this view by analysing the actual state-civil society dynamics as they occur in the Ghanaian cocoa sector.

This paper builds on the results from empirical research in Ghana. We adopted a qualitative and holistic research strategy through a two-stage enquiry. First, we undertook a preliminary enquiry to review the historical background and the overall institutional arrangements of both the conventional and the organic cocoa networks and the linkages between the two. In this regard, we carried out 16 semi-structured interviews with officers of key agencies in the Ghanaian cocoa economy, including the Ghana Cocoa Board (COCOBOD), the Cocoa Research Institute of Ghana (CRIG) and the extension division of the Ministry of Food and Agriculture (MoFA); leaders, field agents and internal control officers of organic cocoa promoting agencies and organizations, namely Agro Eco LB, Yaya Glover Ltd and the Cocoa Organic Farmer Association (COFA); and the coordinators of cocoa-related programmes and companies, including Cadbury Cocoa Partnership, the World Cocoa Foundation, the Sustainable Tree Crops Programme (STCP), and the West Africa Fair Fruit Company (WAFF). These three categories of stakeholders were selected on the basis of their position in and knowledge of the Ghanaian cocoa economy as well as their potential interest or involvement in the organic cocoa network. The preliminary enquiry was instrumental in highlighting the institutional, social and economic conditions and factors that determined the trajectories of both the conventional and organic cocoa networks and how each deals with controversial issues, particularly with sustainability and child labour, which became of prime importance in the global cocoa markets. Second, we undertook an in-depth enquiry into the motivating factors,

social dynamics and governing arrangements within the organic cocoa network from the production node to export, with a special focus on the roles and the evolving relationships between state and non-state actors in those processes. Accordingly, we conducted six group interviews and 30 individual interviews with organic cocoa farmers within six organic cocoa communities (Bontomuruso, Ntroboso, Akwedun, Ateibu, Kro-Mameng and Aponoapo) spread over the three major regions of organic cocoa farming in Ghana: Ashanti, Eastern and Central (see also Figure 4 below). On the upper level of the organic cocoa network, we interviewed two purchasing agents from the Produce Buying Company (PBC) and five officers from the Quality Control Division (QCD) and the Cocoa Marketing Company (CMC). With the latter categories, we stressed specifically the buying, handling, processing and export of the organic cocoa beans. Of particular importance were issues of traceability of the organic cocoa, trust-building mechanisms with organic farmers (downstream) and buyers (upstream), and price-setting arrangements (including the organic premium).

This paper is organized as follows. In the next section, the commodity network framework is introduced, with a focus on the role of the state in its governance. Subsequently, the recent development of the Ghanaian cocoa sector is described in order to understand the building of the conventional global cocoa network. The major part of the paper analyses the rise, development and institutionalization of the organic cocoa sector in Ghana, with special reference to how this alternative commodity network is governed. We conclude with a discussion on the role and relevance of the state in contemporary organic/alternative agro-food supply networks when compared with the conventional global cocoa network.

## CONCEPTUALIZING GOVERNANCE IN THE ORGANIC COCOA NETWORK

Cocoa is an exemplary global commodity, as it is produced in Africa and in Latin America, mostly processed in Europe and the United States, and subsequently consumed all over the world. There is a recent move of transnational grinders into West Africa (Côte d'Ivoire and Ghana), aimed at increasing the local cocoa-grinding capacities. But still, only 18 per cent of cocoa beans are processed in Africa compared to Europe, which processes 41 per cent (World Cocoa Foundation 2010).

The global commodity chain perspective is often applied to grasp the dominant organizational structure governing modern-day capitalism, by shifting the focus of attention from the state as a powerful driver of economic change towards the increasing power of multinationals and businesses (see Gereffi and Korzeniewicz 1994; Gereffi et al. 2005). In spite of its power to explain these economic transformations, which are characteristic of the contemporary era of globalization, this perspective has also been criticized in many respects. With its roots in world systems theory, the commodity chain perspective portrays a structuralist and linear connection between commodity production in the 'peripheral' regions of the world economy and processing, retail and consumption in the 'core' (Hughes and Reimer 2004). Busch and Juska (1997) criticize this structuralist perspective, arguing that it 'obscures the interactions among a wide variety of political, economic, social, and cultural, technological and natural phenomena that extend across localities, regions and nations that together define globalization' (p. 689). Moreover, this (global) commodity chain perspective seems to concentrate on inter-firm links, with less consideration of non-market actors' roles and rationalities, while political conditions are treated as contextual. Recent conceptualizations of global commodity chains (e.g. the global value chain) reflexively try to adapt to some of these criticisms by incorporating agency in their account for global processes. However, the structuralist, linear and economic orientation still seems dominant. Overall, the commodity chain approach falls short

when trying to capture the roles of non-market actors, particularly state and civil-society actors, in the development of commodities such as (organic) cocoa in Ghana.

Interestingly, the burgeoning literature on commodity networks helps to address these shortcomings. In fact, the commodity network perspective 'recognises that relations between producers, distributors and consumers are the product of complex flows between hosts of interconnected actors that have become enrolled in the network' (Hughes and Reimer 2004, 5). According to this network perspective, governance refers to how individual and collective social actors ideologically and materially construct, maintain and transform commodity networks throughout the life cycle of a commodity from production via processing and trade to retail (Raynolds 2004). We will therefore use a global commodity network perspective to analyse the formation of the Ghanaian cocoa network and to determine the evolving role of the state and other governance actors, particularly the involvement of transnational and national networks, in the actual functioning of this global commodity network. Many authors argue that in the current era of globalization and liberalizing markets, the development, organization and management of commodity production, processing and marketing are primarily the responsibility of the private sector and civil society (Joosten and Eaton 2006). The state's role has shifted from key player in commodity development to external agent, co-setting the conditions for production and trade and not actively intervening. According to Gale and Haward (2011) and Mol (2008), with the state increasingly ineffective in regulating global production networks, business and civil-society actors have sought to create alternative governance institutions. However, the Ghanaian cocoa case is well known as an exception. While at the upper levels in the cocoa networks, a growing concentration and integration amongst manufacturers and processors can be noted next to a sharp decline in the number of specialized traders, the local part of the global cocoa network in Ghana resists the imperatives for full liberalization. In fact, the liberalization of the cocoa sector in West Africa has created effects such as the degradation of cocoa quality and increasing risks for banks and international traders (ICCO 2007, 22), undermining the competitiveness of the whole cocoa network. In reaction to these negative experiences with full liberalization in the region, the Ghanaian government opted for gradual and partial marketing reforms (Laven 2011). As a result, the Ghanaian cocoa sector remains largely governed by the state. The question, therefore, is how the state reacted to the emerging sets of process standards in the North, which require certainty with regard to ethically acceptable working conditions and food safety (Hughes 2001). Particularly concerning organic cocoa, we may expect another mode of governance arrangements through the active involvement of other social actors and different roles of familiar economic and political actors, including a more active role of transnational and national networks. Glin et al. (2012) posit that because of concerns about quality and environmental issues, governance in organic commodity networks may challenge the dominant position of powerful economic actors by revaluing or diverting sources of power from the economic realm towards the environment, where the agency of transnational and national NGOs and networks is of prime importance. Other authors, however, argue that nowadays social and environmental quality attributes become internalized within strategies of corporate competition (Raynolds and Wilkinson 2007), giving rise to hybrid governing arrangements that blur the distinction between state, market and civil-society actors (Spaargaren et al. 2006). In this study, we therefore compare the organization of the conventional cocoa network with the alternative organization of the organic cocoa network, with particular attention to the participation of the state and civil-society actors. We hypothesize that the introduction and subsequent governance of the organic cocoa network opens up the way for hybridization of the governing structure of the cocoa sector in Ghana, because concerns about environmental

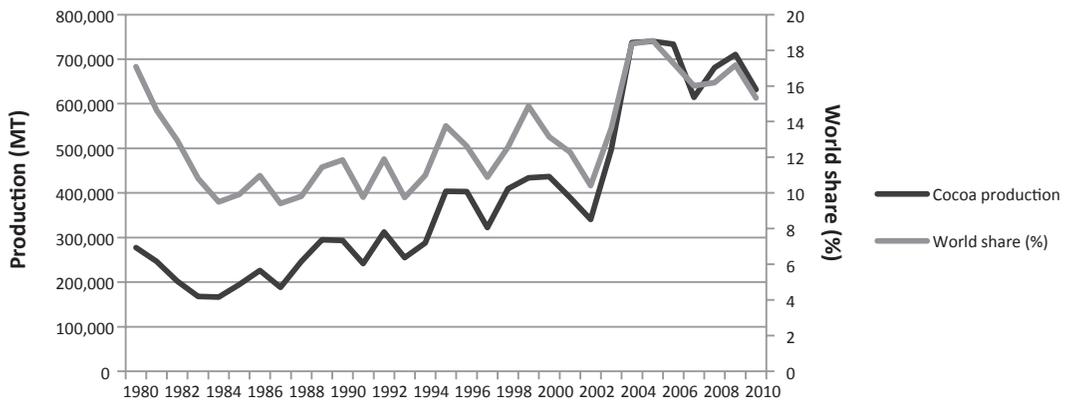
impacts and social fairness demand the intervention of civil-society actors next to the state and economic actors.

How and through which governance arrangements the state and civil-society actors participate in the processes of creation, construction and institutionalization of the organic cocoa network is an important question. To adequately answer this question, we first elaborate on the recent developments in the conventional cocoa sector, to provide the historical and contextual background of the rise of the organic cocoa network. Next, we make a grounded comparison between the two, particularly with regard to the role of the state and civil-society actors.

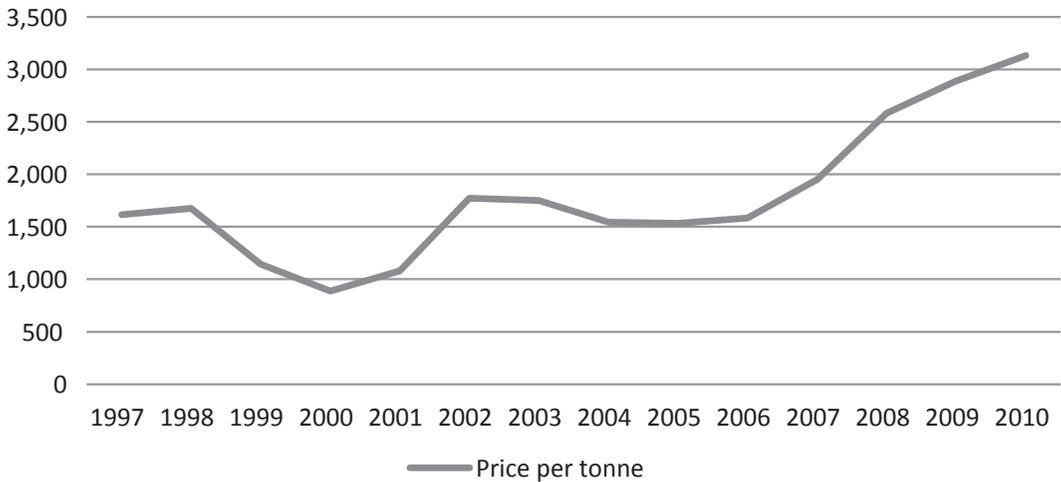
### THE BACKGROUND TO THE GHANAIAN COCOA INDUSTRY

Ghana is the second-largest cocoa producer worldwide, although its national production and relative share of the global cocoa production has varied over recent years (see Figure 1). Over 90 per cent of its cocoa beans are exported and around 20 per cent of global cocoa trade originated from Ghana over the period from 2005 to 2009 (ICCO 2010). Despite efforts to diversify, the Ghanaian economy has been vitally dependent on the export of cocoa over the past century (Milburn 1970). In fact, cocoa is the backbone of Ghana's economy and the most important source of income and foreign exchange for the country. In the first decade of this millennium, cocoa contributed to around 10 per cent of Ghana's GDP and to 25–30 per cent of Ghana's export earnings (ICCO 2010). Around 6.3 million Ghanaians, representing almost a third of the population, depend on cocoa for their livelihoods (Laven 2010). About 720,000 farmers are engaged in cocoa cultivation in Ghana, spread over seven 'cocoa regions': Eastern, Ashanti, Brong-Ahafo, Central, Volta, Western North and Western South (Barrientos et al. 2008). Despite the importance of cocoa in Ghana's economy, several challenges need to be addressed to secure the future of the sector. These challenges include the high price volatility on the global market (see Figure 2); accusations of using child labour; low productivity (around 400 kg/ha); and the present extensive farming practices (thereby increasing the areas under cultivation at the expense of biodiversity). This all puts the sustainability of the sector at risk and calls for alternatives.

Figure 1 Cocoa production in Ghana from 1980 to 2010 (in MT and as a share of world production)



Source: FAO statistics.

*Figure 2* Trends in the world price of cocoa from 1997 to 2010 (US dollars per tonne)

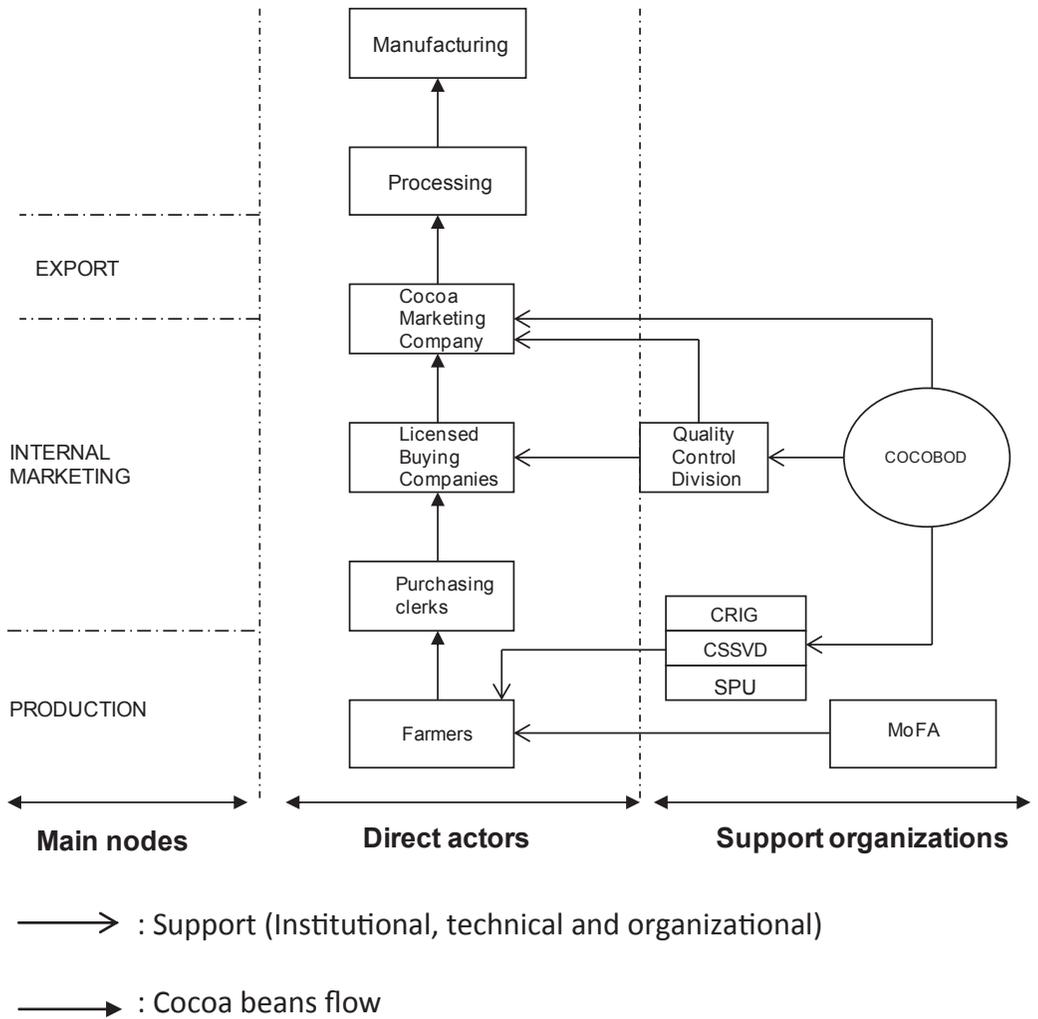
Source: ICCO and FAO.

Laven (2010) and Ton et al. (2008) distinguished three periods in the development of the cocoa sector in Ghana: the precolonial and colonial period (1890s to 1940s); the period from independence (1950s) up to the 1980s; and the period of restructuring from 1990 onwards. For the purpose of this paper, we build on their analysis of the recent dynamics in the cocoa industry since 1990 as a basis for understanding innovative governance arrangements within the organic cocoa network.

In the early 1990s, with the agreement of the Ghana government, the World Bank engaged in a privatization process of the cocoa industry. But, unlike the situation in the other cocoa-producing countries in West Africa, Ghana resisted a full privatization of the cocoa sector and opted for a gradual and limited reform (Ton et al. 2008). This reform included the liberalization of domestic cocoa purchasing, the privatization of input distribution, a reform of the extension services, a reorganization of processing activities and a drastic reduction in the staff of COCOBOD (Laven 2010). Starting in 1992, the liberalization of the internal marketing system was almost complete in 2011, with about 25 private Licensed Buying Companies competing at the farm gate to buy the cocoa from the farmers (Gilbert and Varangis 2004), next to the state-owned Produce Buying Company (PBC), which remained the largest buyer by far. The rationale of this reform was that private-sector participation and competition in this sector could reduce marketing costs and margins, increase the share of the free on board (FOB) price that farmers receive and increase transparency (Gilbert and Varangis 2004). Beyond the reform of the marketing system, COCOBOD also underwent an institutional reform. Its extension division, the Cocoa Service Division (CSD), merged with MoFA. As a result, its monopoly of inputs provision and distribution ended, and this responsibility was taken over in 1995 by the Ghana Cocoa, Coffee and Sheanut Farmers Association (GCCSFA) (Ton et al. 2008). Figure 3 portrays the currently existing conventional cocoa network in Ghana.

Parallel to this reform process, international market dynamics, such as the increasing consumer demand for product quality and differentiation, favoured the involvement of private stakeholders and NGOs and the opening up of alternative marketing channels, such as

Figure 3 A schematic overview of the conventional cocoa network in Ghana



Key:

- COCOBOD-Ghana Cocoa Board
- CRIG-Ghana Cocoa Research Institute
- CSSCV-Cocoa Swollen shoot and Virus Division
- MoFA-Ministry of Agriculture and Food
- SPU-Seed Production Unit

Source: Own elaboration.

Fairtrade, organic, Rainforest Alliance and UTZ Certified cocoa. Several programmes and partnerships addressing the sustainability (technical, social and economic) of the overall cocoa sector are under way, and foster both cooperation and competition among the various standards and schemes (Bitzer et al. 2012; Laven and Boomsma 2012). Table 1 portrays the major programmes and partnerships addressing sustainability in the cocoa sector in Ghana. One important transversal issue is the eradication of child labour. In fact, globally, the members of the cocoa industry and government officials were compelled to sign the so-called Harkin–Engel Protocol and commit themselves to eradicating the worst forms of child labour in compliance with International Labor Organization (ILO) conventions (Bitzer et al. 2012, 357). All this contributes to some extent to building an environment conducive for alignment and collaboration between different stakeholders in the cocoa economy.

## THE RISE AND DEVELOPMENT OF THE ORGANIC COCOA NETWORK IN GHANA

We identify three phases in the initiation and construction of the organic cocoa network in Ghana: the mobilization of a seed network around organic cocoa, the renegotiation and lengthening of the cocoa network, and the further orientation towards a more commercial operation.

### *Mobilizing a ‘Seed’ Network around Organic Cocoa*

Organic cocoa production in Ghana originated some 20 years ago, when cocoa farmers at Brong-Densuso, near Akwedum, a village in Suhum district (Eastern region) of Ghana, stopped spraying their cocoa fields with chemical pesticides, despite the government’s mass spraying programme. The main reason for abandoning spraying was related to health concerns, as chemical pesticides are known for their negative effects on both human and animal health. The idea of organic cocoa farming was brought to Ghana by one of the cocoa farmers who had travelled and returned from overseas. Having heard about formal organic cocoa farming with the possibility of premium prices, the Brong-Densuso cocoa farmers sought to engage in organic production and set up the Traditional Organic Farmers Association (TOFA). In 1997, TOFA linked up with Organic Commodity Products (OCP), an American organic marketing company willing to develop its business in the organic cocoa sector in Ghana. In the absence of a well-organized entity supporting organic farming, OCP itself had to enrol and mobilize relevant stakeholders, resources and knowledge and, above all, negotiate political support for such a network in a situation in which cocoa was still largely controlled by the state. Technically, to grow organic cocoa one must have shade, crop diversity and not use synthetic fertilizers and agrochemicals (Agro Eco 2008). The Cocoa Research Institute of Ghana (CRIG), a subsidiary of COCOBOD, had the research infrastructure and knowledge about alternative methods that could be used in organic cocoa farming (Agro Eco 2008). Organic cocoa farms were seen as test plots for non-chemical techniques that might later benefit the entire industry (Agro Eco 2008). Beyond this, CRIG benefited from the political legitimacy of COCOBOD to take action in the cocoa sector. Thus, OCP established contacts with TOFA and agreed with COCOBOD, through CRIG, to fund CRIG’s research on alternative technologies regarding soil fertility and pest management. In 1999, CRIG, TOFA and OCP started a collaborative research project to determine the effectiveness of neem in controlling capsids, to improve soil fertility in organic cocoa production, and to eventually buy organic cocoa beans at a premium price from farmers once organic certification had been achieved

Table 1. Major programmes and partnerships addressing sustainability in the cocoa sector in Ghana

<i>Programmes and partnerships</i>	<i>Stakeholders involved</i>	<i>Specific areas of intervention</i>
ILO Cocoa Communities Project	International Cocoa Initiative (ICI) and International Labor Organization (ILO)	<ul style="list-style-type: none"> <li>• Public certification on labour conditions</li> <li>• Information provision to partners on best practices on child labour</li> </ul>
Sustainable Tree Crops Programme (STCP)	International Institute of Tropical Agriculture (IITA), USAID, World Cocoa Foundation, the Ministry of Finance and Economic Planning and COCOBOD	<ul style="list-style-type: none"> <li>• Farmer training: Farmer Field School, IPM</li> <li>• Sharing of practice and research-related information</li> <li>• Support replanting of hybrid cocoa varieties in former cocoa-growing areas</li> <li>• Addressing the environmental and social impacts of cocoa production</li> <li>• Facilitation of partnerships between researchers, local communities, donors and companies</li> <li>• Overall interventions include: cocoa sustainability, support to cocoa communities, education, field programmes and scientific research</li> <li>• Specific interventions include: <ul style="list-style-type: none"> <li>– reinforcement of partnerships, capacities and linkages in the cocoa sector</li> <li>– provision of a forum for stakeholders (industry, civil society and government) to meet and cooperate</li> <li>– facilitating the incorporation of sustainability considerations into the mainstream market</li> <li>– information release to the public and consumers</li> </ul> </li> </ul>
World Cocoa Foundation (WCF)	The World Cocoa Foundation is a leader in promoting economic and social development and environmental stewardship in 15 cocoa-producing countries around the world, with nearly 70 member companies from the Americas, Europe, Asia and Africa	<ul style="list-style-type: none"> <li>• Farmer training</li> <li>• Improving production and quality at the farm level</li> <li>• Equipping farmers with business skills</li> <li>• Promoting diversification of income</li> <li>• Improving access to inputs and support services</li> </ul>
Cocoa Livelihoods Program	World Cocoa Foundation in collaboration with a consortium of five organizations, including Agribusiness Services International (ASI), an ACDI/VOCA affiliate, GTZ, GmbH, the International Institute of Tropical Agriculture (IITA)/Sustainable Tree Crops Programme (STCP), SOCODEVI and TechnoServe	<ul style="list-style-type: none"> <li>• Sustainable livelihoods (from cocoa and other means): <ul style="list-style-type: none"> <li>– increasing productivity, quality and the rehabilitation of farms</li> <li>– strengthening farmer' organizations</li> <li>– youth engagement in cocoa production</li> <li>– increasing household incomes from alternative livelihoods</li> <li>– increasing household food security</li> </ul> </li> <li>• Community-centred development (basic social infrastructure, education, health care and water)</li> <li>• Institutional engagement</li> <li>• Sustainability standards</li> <li>• Promotion of best practices in the cocoa value chain</li> <li>• Addressing social issues in the cocoa sector</li> </ul>
Cadbury Cocoa Partnership	A public-private partnership involving Cadbury, UNDP Ghana, COCOBOD, two ministries (Ministry of Finance and Planning and the Ministry of Employment and Social Welfare) and three international NGOs (World Vision International, Care International and Voluntary Service Overseas).	<ul style="list-style-type: none"> <li>• Sustainable livelihoods (from cocoa and other means): <ul style="list-style-type: none"> <li>– increasing productivity, quality and the rehabilitation of farms</li> <li>– strengthening farmer' organizations</li> <li>– youth engagement in cocoa production</li> <li>– increasing household incomes from alternative livelihoods</li> <li>– increasing household food security</li> </ul> </li> <li>• Community-centred development (basic social infrastructure, education, health care and water)</li> <li>• Institutional engagement</li> <li>• Sustainability standards</li> <li>• Promotion of best practices in the cocoa value chain</li> <li>• Addressing social issues in the cocoa sector</li> </ul>
Roundtable for a Sustainable Cocoa Economy	The Roundtable brings together representatives from cocoa farmers, cooperatives, traders, exporters, processors, chocolate manufacturers, wholesalers, retailers, governmental and non-governmental organizations, financial institutions, as well as donor agencies	<ul style="list-style-type: none"> <li>• Institutional engagement</li> <li>• Sustainability standards</li> <li>• Promotion of best practices in the cocoa value chain</li> <li>• Addressing social issues in the cocoa sector</li> </ul>

Table 1. (Continued)

<i>Programmes and partnerships</i>	<i>Stakeholders involved</i>	<i>Specific areas of intervention</i>
Empowering Cocoa Households with Opportunities and Education Solutions (ECHOES)	Implemented by Winrock with sponsorship from USAID	<ul style="list-style-type: none"> <li>• Strengthening of education policy that mobilizes government ministries</li> <li>• Focus on the next generation of cocoa farmers</li> <li>• Development of school gardens and demonstration cocoa plots</li> <li>• Applied learning training for out-of-school youth</li> <li>• Enhancing community participation</li> </ul>
Mars Partnership for African Cocoa Communities of Tomorrow (iMPACT)	International Cocoa Initiative (Participatory Development Associates), AFRICARE, GIZ, IFESH, Rainforest Alliance and STCP	<ul style="list-style-type: none"> <li>• Promotion of an integrated approach that includes agriculture, environment, education and health, aimed at improving incomes and the welfare of cocoa communities through: <ul style="list-style-type: none"> <li>– capacity building of cocoa farming communities</li> <li>– reduction of the worst form of child labour</li> <li>– preservation of the environment</li> <li>– awareness raising on health issues (HIV, malaria)</li> <li>– promotion of better agricultural practices</li> </ul> </li> </ul>
Millennium Villages Project	Japanese grant through the UNDP	<ul style="list-style-type: none"> <li>• Targeting a whole package of improvements in health care, education, infrastructure and agriculture productivity to improve the livelihoods of cocoa farmers</li> </ul>
Rainforest Alliance Ghana	Agro-Eco Louis Bolk, Rainforest Alliance	<ul style="list-style-type: none"> <li>• Building knowledge and understanding on the Rainforest Alliance standard for sustainable agriculture</li> <li>• Developing local indicators for sustainable cocoa and other crops</li> </ul>
Kuapa Kokoo cooperative	Kuapa Kokoo Association, TWIN grant support, Comic Relief	<ul style="list-style-type: none"> <li>• Promotion of fairer trading practices</li> <li>• Training in quality control, record keeping and farmer society bookkeeping, gender issues</li> </ul>
Cocoa Abrabopa Association	Cocoa Abrabopa Association, IFDC, Technoserve, CRIG	<ul style="list-style-type: none"> <li>• Promotion of a business approach: basic business training to farmers</li> <li>• Training on protection of natural resources, management of health/sanitation</li> </ul>
Armajaro – sourcing traceable cocoa UTZ Certified – certification of sustainable cocoa in Ghana	Armajaro, COCOBOD, Lindt, Cadbury and the Japanese chocolate industry West Africa Fair Fruit Company (WAFF), Solidaridad	<ul style="list-style-type: none"> <li>• Investment in software systems and training to provide traceability</li> <li>• Development of UTZ Certified Code of Conduct</li> <li>• Implementation of a series of pilot projects to test UTZ Certification in Ghana</li> </ul>
Tradin Cocoa WA (organic cocoa production)	Tradin, Agro Eco Louis Bolk, CRIG and COCOBOD	<ul style="list-style-type: none"> <li>• Expansion of organic cocoa production in Ghana</li> <li>• Training in organic agriculture</li> <li>• Farmer mobilization</li> <li>• Certification activities</li> </ul>
Yayra Glover organic cocoa programme	Yayra Glover Ltd, Pakka Trade Ltd and COCOBOD	<ul style="list-style-type: none"> <li>• Promotion of organic and sustainable cocoa production in Ghana</li> <li>• Trading of organic and sustainable cocoa beans</li> <li>• Training in organic and sustainable cocoa farming</li> </ul>

Source: Fieldwork 2009–2010, WAFF (2008) and Bitzer et al. (2012).

(Ayenor 2006; Agro Eco 2008). OCP also paid for the costs involved in organic certification. CRIG was given the responsibility, on behalf of COCOBOD, to verify that organic cocoa farming was done properly and sustainably. CRIG also demarcated the area as chemical-free. In 2001, organic certification was achieved. Unfortunately, OCP collapsed in 2002, due to institutional and financial complications. Indeed, the institutional agreement between OCP and COCOBOD suffered from misunderstandings and resulted in distrust between the partners. While OCP claimed that it had funded research on organic cocoa in four regions within 4 years, with the idea of being allowed to purchase the organic cocoa from all areas, COCOBOD argued that the agreement only gave OCP the exclusive right to purchase organic cocoa from Brong-Densuso once the cocoa had been certified (Ayenor 2006).

The organic cocoa initiative emerged through a bottom-up process from farmers. But for this initiative to prosper, a facilitator, a network lengthening agent, was needed to facilitate the mobilization of a larger web of relevant actors and connections in order to develop and sustain organic cocoa production and export. OCP was in a delicate position, as it was a business operator, but also wanted to play the role of a trustful network mediator. The business orientation of OCP, in the context of 'resistance' to privatization of the entire cocoa sector, seems to have worked against its success. For a private 'incursion' in the cocoa sector to be successful, a profit-free and long-term orientation was needed to develop working experience and build trust over time. OCP did not manage to do that and was therefore marginalized in the organic cocoa network.

#### *Renegotiating and Lengthening the Organic Cocoa Network*

In 2004–5, Agro Eco, a Dutch advisory agency in organic and fair trade agriculture, entered the organic cocoa network in Ghana. Agro Eco had been working in West Africa since the 1990s, providing organic farmers access to niche markets with premium prices. Agro Eco was particularly interested in supporting the development of organic cocoa in Ghana and contacted CRIG, which introduced Agro Eco in Brong-Densuso. Agro Eco directed its interventions on strengthening the capacity of farmers and their organizations and on setting up an internal control system for compliance with organic standards. As a result, the farmers' organization TOFA evolved and became the Cocoa Organic Farmers Association (COFA) in 2004. Agro Eco also provided these farmers with training in organic farming practices and helped COFA in fundraising. The objective was to empower COFA so that it could gradually take over the management and coordination of the organic cocoa business. In this, Agro Eco collaborated closely with CRIG and involved other major actors, namely the Produce Buying Company (PBC), the Quality Control Division (QCD), the Ministry of Agriculture (MoFA), the Department of Cooperatives, the Ministry of Manpower, Development and Employment and the (Dutch) Rabobank Foundation. The collaboration with CRIG targeted pests and disease control techniques and the provision of organic inputs. The collaboration with QCD and PBC facilitated addressing the issue of quality management and the need for separating organic cocoa from conventional cocoa all along the supply network, up to the harbour. PBC designated a special warehouse for organic cocoa beans. MoFA recruited two field agents to provide technical support to farmers and monitor the internal control system. Those field agents and COFA staff benefited from technical and organizational training from the Department of Cooperatives. The Rabobank Foundation financially supported the COFA organic cocoa project for a 3-year period (2006–9). Due to Agro Eco's support and mediation, COFA received the first organic certification in 2005 from Control Union Certifications. Agro Eco also helped in liaison between the producers and international traders, especially with Tradin

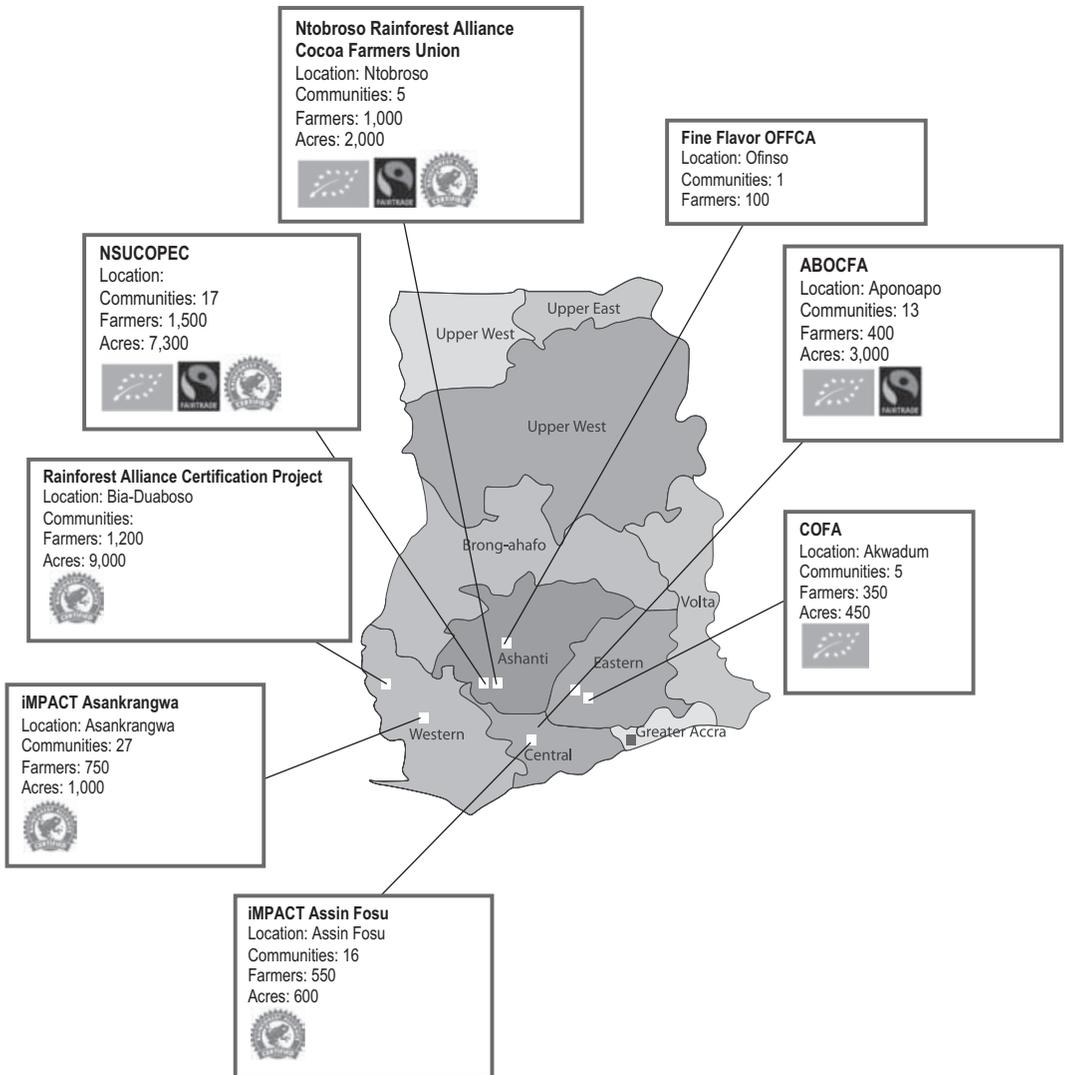
BV, a Dutch company. Agro Eco ‘organized the sale, price negotiation and the premium distribution of the first containers of organic cocoa’ (Adimado et al. 2007, 6). In all, Agro Eco succeeded in establishing and fuelling a dynamic network around organic cocoa by mobilizing relevant partners, both in the public and the private sector, up to the point at which ‘Agro Eco has been designated by COCOBOD as the facilitator and contact organization for any initiatives in the field of organic cocoa in Ghana’ (Adimado et al. 2007, 6). Agro Eco’s role as a facilitator, but not a ‘business’, played an important role in mobilizing actors and constructing trust among stakeholders. Meanwhile, Agro Eco initiated another organic cocoa project covering two new areas: Aponoapo in the western Suhum–Eastern region, and Ntobroso in the western Kumasi–Ashanti region. Currently, Agro Eco is engaged in several other cocoa projects, including Rainforest Alliance and Fairtrade (see Figure 4).

### *Bringing Business Back In*

Given Agro Eco’s investments in the organic cocoa sector, encouraging results were achieved with respect to capacity building of the farmers’ organizations, management of the internal control system, regular certification of organic cocoa and network building of relevant stakeholders. However, the scale of the organic cocoa production in Ghana remained small, with an annual cocoa production varying from 27 to 37 tonnes between 2006 and 2008 (see Table 2). Many critics attribute this limited growth to a lack of business orientation in Agro Eco’s strategy. In 2007, after a long process of negotiation and administrative and legal procedures with COCOBOD, a private company, Yayra Glover Ltd, entered the organic cocoa sector as the first organically licensed buying company. Yayra Glover is a joint venture associated with a Swiss company, Pakka Trade Ltd, and a local Ghanaian investor, M. Glover, who had gained his business experience abroad, particularly in Switzerland. Yayra Glover intended to build a strong organic cocoa business relying on a public–private partnership with COCOBOD and MoFA. Yayra Glover is ‘convinced that organic cocoa, and organic and fair trade products in general, can contribute to alleviate global syndromes of poverty, resource base erosion and migration. However, this needs to be approached by private sector means, or at least with the concurrence of the private sector which can offer greater economic sustainability’ (Yayra Glover 2008, 4). Upon the recommendation of CRIG the Eastern region, specifically the Suhum district, was chosen to start operations. District authorities and divisions of MoFA and COCOBOD were duly sensitized prior to selecting the first communities (Yayra Glover 2008). In October 2009, around 4,000 farmers were engaged in organic cocoa production with Yayra Glover, of which 550 had fulfilled the organic standard requirements completely and would be certified in the course of 2009 (Yayra Glover 2009).

In all, while the international markets and the overall trend towards sustainability in the global cocoa sector provided a fertile ground for green innovations in this sector, it is notable that the organic cocoa idea and projects were mainly driven by agencies, businesses and civil-society actors. These stakeholders had to negotiate with the state agencies to gain space and legitimacy. After some initial resistance, the state eventually engaged in, or at least allowed, the development of the organic cocoa network. The question is whether and how the state internalizes the organic standard within its own organizational structure or engages in innovative governing arrangements involving civil-society and business actors – or, in other words, which multi-stakeholder or hybrid arrangements have emerged to help comply with the organic standard and make possible the life and flows of organic cocoa from the farm to international markets.

Figure 4 The locations of the organic, Rainforest Alliance and Fairtrade cocoa projects in Ghana led by Agro Eco



Source: Agro Eco LB.

### GOVERNING ARRANGEMENTS WITHIN THE ORGANIC COCOA NETWORK: FROM FARM TO MARKET

Here, we analyse how the organic cocoa network in Ghana evolved from farm level to international market scale, with a focus on the governance arrangements involved (Raynolds 2004; Glin et al. 2012). In this respect, we consider two key nodes within the organic cocoa network – the production and marketing nodes. Before elaborating on this, we first address the motives for farmers to convert to organic cocoa farming.

Table 2. Figures for organic cocoa production from COFA

Year	Number of farmers	Production of beans (tons)	Acreages (hectares)
2006	150	27	250
2007	230	37	265
2008	280	37	370
2009	280	–	492

Source: COFA.

### *Enrolling Farmers into Organic Cocoa Production*

Despite its involvement in international markets, conventional cocoa farming is perceived as ‘traditional’ due to its historical place in the Ghanaian agrarian economy. Actually, most conventional cocoa farmers grow or exploit their cocoa farms in a traditional manner, without the active use of modern technologies apart from the mass spraying organized by the National Cocoa Diseases and Pests Control (CODAPEC). This seems to be a major cause of the stagnating or even declining trend in the Ghanaian cocoa yields compared to those of other producing countries (Ayenor 2006). The traditional character of the conventional cocoa farming, associated with these low yields, could also explain the reluctance among young people to become involved in the cocoa sector and even their withdrawal from that sector, leading to a high proportion of aged farmers. As argued by Laven and Boomsma (2012), the cocoa business is currently a traditional subsistence lifestyle rather than a profitable business, leading young people to abandon the cocoa sector. This situation offers fertile ground for promoting organic cocoa farming. In fact, unlike the general (mis)perception of ‘organics’ as a backward innovation, farmers in Ghana associate organic cocoa farming with modernity compared to conventional cocoa farming. A local farmer portrayed organic cocoa as ‘AKUAFO ADAMFO’ (in the Twi local language), meaning: ‘A friend from outside could even be better than a brother from home; the organic cocoa farming brought from outside is better than the traditional conventional cocoa farming’.

Several motives drive farmers to enter and stay committed to organic cocoa production. From our interviews with organic cocoa farmers, five major categories of factors were identified that determined their conversion to organic cocoa farming. These factors relate to livelihoods, finances, the environment, quality of support and relationships in the commodity network, and they are somehow interrelated, although not of similar order and relevance for each farmer. These factors are summarized in Table 3.

Most factors mentioned by farmers as motivating their conversion to organic cocoa farming are related to health and financial reasons. Besides, several organic cocoa farmers also mentioned the interventionist aspects of the organic cocoa project and considered this beneficial due to the diverse kinds of support and incentives supplied. These farmers have high expectations from their conversion into organic and may become disappointed over time when these expectations are not (fully) met. For other farmers, the fact that the state has ‘its hand’ in the organic cocoa business fosters a feeling of security and reliability – or, in the words of one farmer: ‘the Glover organic cocoa project was launched here at Ateibu. When I saw with my eyes that it was the Minister of Finance, M. Kwadwo Baah Wiredu, himself who proceeded to the launching, I took seriously the organic cocoa, and I believe that it won’t fail.’

Table 3. Motivations of farmers for converting to organic cocoa farming

<i>Livelihoods</i>	<i>Finances</i>	<i>Environment</i>	<i>Quality of support</i>	<i>Relationship in the value chain</i>
<ul style="list-style-type: none"> <li>• Health</li> <li>• Saving money</li> <li>• Life expectancy</li> <li>• Community incentives (basic infrastructure: sanitation, markets, schools etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Credit and financial incentives</li> <li>• Better and more stable yields</li> <li>• Premium price</li> </ul>	<ul style="list-style-type: none"> <li>• Soil conservation</li> <li>• Maintenance of water quality</li> </ul>	<ul style="list-style-type: none"> <li>• Technical assistance (training in good farming techniques, farm visits)</li> <li>• Neem and material provision</li> <li>• Quality of relations with promoting agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Fairness</li> <li>• Transparency</li> <li>• Cash payment</li> <li>• State guarantee</li> </ul>

Source: Fieldwork, 2009–2010.

### *Shaping the Production Node*

At farm level, organic cocoa production has a direct influence on the organization of production. In general, cocoa production in Ghana relies on smallholdings (Ruf and Siswoputranto 1995; Shillington 1995; Bijen 2007; Barrientos et al. 2008; Ludlow 2012). The average acreage per farmer is about 2 hectares (Barrientos et al. 2008). Several (interrelated) reasons may explain the smallholder nature of cocoa farming in Ghana. First, contrary to experiences elsewhere – for instance, in São Tomé and Príncipe, where the state owns the plantations (Gunnarsson 1978) – cocoa farming in Ghana since colonial times has remained in the hands of the indigenous people (Hill 1961; Gunnarsson 1978). This helped to preserve the traditional mode of small-scale cultivation. A second reason is the inheritance system, where a farm may be bequeathed to siblings who may decide to divide the land and operate farms separately (Barrientos et al. 2008). A third reason could be linked to the cocoa farm management arrangements. As argued by Hill (1961), the introduction of cocoa in (colonial) Ghana also introduced a new man–land relation (Gunnarsson 1978), with new landownership rights based on individual titles next to the traditional collective form. Also, a caretaker system emerged, ‘where sometimes the farm is split into two between the land-owner and the caretaker’ (Barrientos et al. 2008, 44). The caretaker system is a semi-permanent arrangement under which an owner hands over a farm on an ‘abusa’-crop-sharing basis to the caretaker, who undertakes all the farm work and receives part (from one third to two thirds) of the proceeds of cocoa sales (Beckett 1972). This caretaker system raises important challenges with respect to the internal control system, traceability and the distribution of the organic cocoa premium. Particularly where absentee owners, the so-called ‘absentees’, are numerous, as in the Aponoapo area, frequent conflicts between caretakers and landlords occur because the labour-intensive character of organic farming requires more effort from the former group, while the latter are accused of free-riding, being the ones benefiting from the premium. In fact, given the relative ‘novelty’ of organic cocoa farming, its specificities do not seem to be institutionalized yet in the (old) caretaker arrangement and thus constitute a source of distrust.

In spite of the still marginal production volume of organic cocoa compared to conventional cocoa in Ghana, the initiative is clearly driving restructuring and organizational change at local and national level. At the local level, the organic cocoa network triggers and shapes a new kind of ‘innovator’ farmer. The move from conventional to organic cocoa

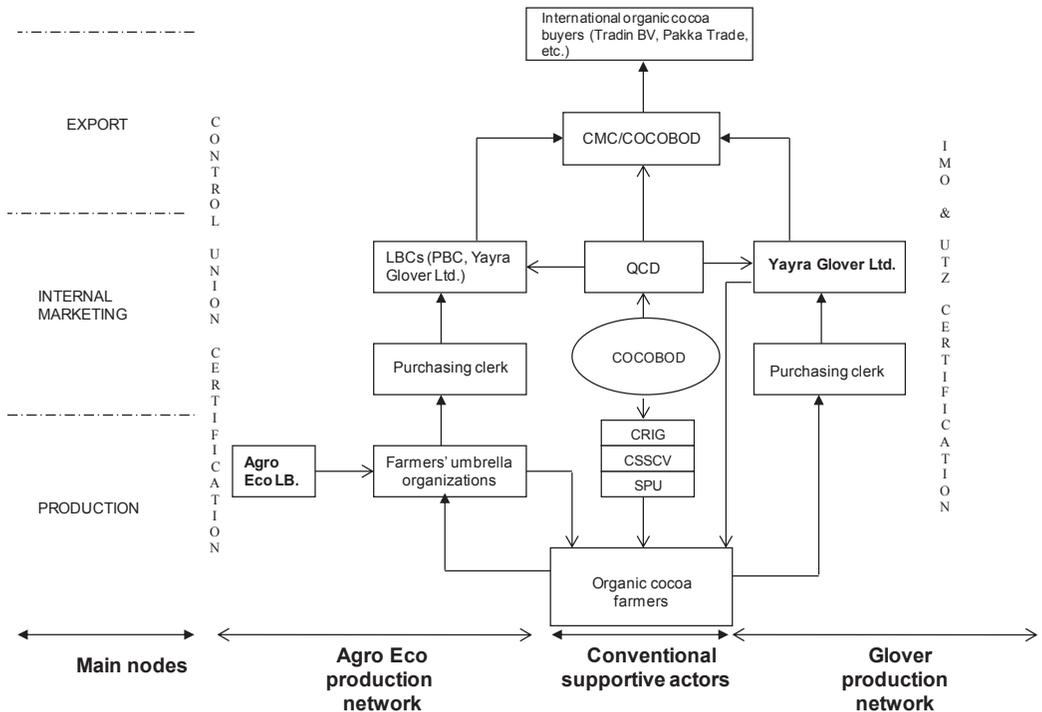
farming not only implies the abandonment of conventional farming practices, but also a dis-embedding from the socio-organizational configuration supporting this commodity and a 're-embedding' in a newly formed socio-organizational configuration. This new socio-organizational framework supporting organic cocoa includes a new marketing channel, new standards and a new community of practice. In fact, organic farmers often have recourse to each other in order to share resources, such as trucks for transportation, spraying materials, pluckers, pruning equipment and so on. This is not only driven by the internal control system and the certification requirements introduced to prevent the risks of contamination with conventional cocoa, but also seems to be fostered by the feeling of belonging to a new 'community of practice', which helps to establish trust between the organic cocoa farmers (Glin et al. 2012, 2013). Some activities – such as managing the nursery for seedlings, pruning activities, pod breaking, training and work meetings, and so on – necessitate collective action and seem critical in connecting organic farmers mutually and in catalysing their social coherence. A network of organic cocoa farmers' organizations is set up from hamlet level to district or regional level to support, construct and maintain the new socio-organizational configuration. These networks also help to make contact with support services and organizations, and with other stakeholders higher up in the organic cocoa commodity network.

Additionally, some specific arrangements are put in place to address activities such as the internal control system (ICS) and the spraying of cocoa farms. Each organic cocoa community has an internal control officer and a sprayer, the so-called gang. The ICS officer is responsible for the registration, the follow-up of farming data and for ensuring the traceability of the organic cocoa beans at hamlet/village level, while the sprayer performs the spraying of organic cocoa farms according to the recommended practices. The ICS officer and the gang do not receive fixed salaries for their work, but get some punctual incentives from their peers and the promoting agencies. Most importantly, they receive social recognition and prestige in the local community and in some cases become central in the social networking and trust mediation among farmers. However, sometimes, mostly within the Yayra Glover production network, the spraying arrangement builds upon the practices known from the conventional cocoa system, CODAPEC. This government-led programme employs the services of spraying gangs but also encourages individual farmers to adopt and use synthetic pesticides themselves (Ayenor 2006). CODAPEC is structured at village level as the Local CODAPEC Task Force (LCTF), consisting of seven stakeholders: the chief farmer of the village, the chief of the village, one Licensed Buying Company (LBC) representative, one gang leader, two farmers' representatives (one man and one woman) and one assembly member from local government. The LCTF serves as a social control instrument to make sure that inputs are used for the right purpose. Actually, only the gangs spray the cocoa farms. They are paid by COCOBOD, which also provides them with all the required spraying equipment, fuel and chemicals. In its intervention areas, Yayra Glover valorizes this established organizational structure and only provides the recommended organic products for spraying on the organic cocoa farms. This is made possible because of the existing public-private partnerships between Yayra Glover, COCOBOD and MoFA. This strategy is justified by the absence of strong organic farmers' organizations (which are still only in the making) in Yayra Glover's areas, but it also helps to minimize intervention costs and, most importantly, articulates the organic cocoa network in relation with the existing conventional socio-organizational framework. This could potentially favour the social coherence of the organic cocoa network as part of the overall cocoa network, even though the effectiveness of such a mechanism is questionable and contains risks regarding the traceability and integrity of the organic cocoa beans. Both the Agro Eco and the Yayra Glover production networks benefit from support from CRIG for technical

assistance in soil fertility and pest management technologies, and from the Seedling Production Unit (SPU, under CRIG) for improved seeds.

The organic certification scheme is driven by private-sector parties, whereby the organic cocoa promotion agencies (Agro Eco and Yayra Glover) and farmer groups (COFA) negotiate, arrange and finance the certification. Presently, two certifying agents operate in organic cocoa certification in Ghana: the Control Union and IMO (Institute for Marketecology). A simplified overview of the organic cocoa network is depicted in Figure 5.

Figure 5 A schematic overview of the Ghana organic cocoa network



→ : Support (Institutional, technical and organizational)

→ : Organic cocoa beans flow

Key:
CMC-Cocoa Marketing Companies
COCOBOD-Ghana Cocoa Board
CRIG-Ghana Cocoa Research Institute
CSSCV-Cocoa Swollen Shoot and Virus Division
LBCs-Licensed Buying Companies
PBC-Produce Buying Company
QCD-Quality Control Division
SPU-Seed Production Unit

Source: Own elaboration.

From the above description, it is notable that as far as production is concerned, the agencies promoting organic cocoa (Agro Eco and Yayra Glover) control their own production networks in their respective agreed spheres of intervention, with more or less articulation with the mainstream cocoa organizational arrangement. The intervention of the state agencies in the production node is limited to institutional and technical support. When it comes to marketing, however, the situation is different, as shown in following section.

### *Linking Production to Market*

According to Gunnarsson (1978), the organization of the marketing chain from the individual producer to the final market is specific for the Ghanaian cocoa industry. In fact, the cocoa marketing system is a socially and politically embedded arrangement and has been constructed over several decades. In the past, the internal marketing system relied on indigenous merchants, the so-called brokers, who managed and mediated credits and cash flows to the cocoa farmers and cocoa flows to foreign companies (Gunnarsson 1978). Under the current (partial) liberalization of the cocoa industry, a major piece of the internal marketing system rests on the purchasing clerks (PCs), working on behalf of the LBCs. The PC is responsible for purchasing (organic) cocoa beans at the farm level. The PCs are individual agents who work on commission and receive a fixed price per bag of cocoa (Fold 2002; Bijen 2007). Among the about 25 LBCs, only the (the state-owned) PBC and Yayra Glover purchase organic cocoa beans. Organic cocoa is only purchased from registered organic farmers. The promoting agencies provide these PCs with lists of organic farmers (including references to acreage, estimated yields etc.) to ensure traceability of organic cocoa beans and prevent risks of cheating. They perform the first quality checks (moisture content, fermentation, alterations and bean size) and accept the purchase on the basis of the farmer's organic status, acceptable bean quality and weight. Due to the technical support and training in good farm practices they have received, organic cocoa farmers are known to ferment their beans adequately, which are therefore often of better quality according to the PCs. Beyond their commercial role, the PCs also play an important role in stimulating producers, allocating informal credits and serving as support in case of emergency (medication, schooling fees etc.). On behalf of LBCs, PCs may also promote formal credit schemes and help construct basic social infrastructure (sanitation, hospitals etc.). On the other hand, PCs are sometimes also accused of cheating farmers by manipulating the weight of collected cocoa beans. Overall, PCs are the face of the market from the perspective of farmers and are key in mediating and (re)producing trust between farmers and the overall cocoa marketing system. The PCs are also responsible for the collection of cocoa beans from farmers, and of their repackaging and storage in village warehouses. Warehouse and evacuation managers take over the transport at the district depots, where the QCD tests and seals the beans in bags. Unlike conventional cocoa beans, the organic cocoa beans are transported straight from the district warehouse to the harbour, at appointed schedules that are the responsibility of the CMC. This is possible because the CMC has segregated the physical flow of certified cocoa from the financial flow, which the CMC still controls (Laven and Boomsma 2012). With certification, agencies and certificate holders promoting organic cocoa are able to access global markets for their organic cocoa. However, price setting and negotiation, as well as export arrangements, are the responsibility of the CMC, which still has the monopoly of all cocoa exports (conventional, organic, Fairtrade, Rainforest Alliance and UTZ Certified).

Despite the partial liberalization, the Ghanaian government still determines a pan-seasonal and pan-territorial producer price in advance of the harvest season, starting with the light

crop (May–June) (Fold 2002). The minimum price of cocoa is determined on the basis of the world cocoa price in combination with the FOB price (Bijen 2007, 21) set by the Producer Price Review Committee (PPRC). The PPRC is a multi-stakeholder structure composed of representatives from various state and market organizations.<sup>1</sup> The annual producer price increased from 56 per cent of the FOB price in 1998–9, up to 70 per cent in 2004–5 and 76 per cent in 2011–12 (Laven and Boomsma 2012). Twice a year, LBCs receive seed funds from COCOBOD to purchase (organic) cocoa from farmers on a commission basis, but they may pay them higher prices than the approved official minimum price. In the case of organic cocoa, besides the above-mentioned mechanism, COCOBOD, promoting agencies (Agro Eco and Yayra Glover), organic farmers' representatives and commercial organic cocoa beans merchants come together to negotiate and agree upon a premium offered on top of the conventional price, and how to share this premium between promoting agencies and farmers. This premium is introduced to (partially) cover the costs of certification, and technical and organizational support, and to motivate farmers and sustain their commitment to organic. The premium may vary from 15 per cent to 30 per cent of the conventional price. As conventional cocoa from Ghana already gets a quality premium in the international market (approximately 10 per cent) because of its extensive quality control system (Bijen 2007), the additional organic premium may set its market price too high and put the competitiveness of Ghanaian organic cocoa at risk. For this reason, in 2008 Ghana organic cocoa beans failed to be sold at a premium price on the international market, since organic cocoa from the Caribbean and South America was cheaper (Adimado and Toose 2008). Thus, Ghana organic cocoa beans were sold in 2008 at the same price as conventional ones. COCOBOD, through the CMC, also has to make sure that contracting clauses and obligations are fulfilled and that farmers receive their share of the organic premium in the event that the organic cocoa is sold against a premium on the global market. As far as the export of cocoa is concerned, the CMC handles the sale of cocoa on the forward and spot markets, through the day-to-day sales of cocoa beans to traders and cocoa processors (Barrientos and Asenso-Okyere 2009). The trust that buyers have vested in COCOBOD allows it to sell cocoa in advance on the forward market, which provides better prices and greater security than other mechanisms (Barrientos and Asenso-Okyere 2009). In the case of organic cocoa, the export mechanism differs because promoting agencies often engage in commercial contacts or partnerships with interested organic companies and afterwards associate with the CMC/COCOBOD to lead the negotiation process, price setting, contract arrangements and follow-up. Companies buying Ghana organic cocoa beans include Pakka Trade (Switzerland), Coop, Halba, Felchine (Italy), Armajaro London, Green and Black (England), Tony's Chocolonely and Tradin (Netherlands).

This analysis has shown that, unlike the production node, the marketing of organic cocoa is still largely controlled by the state, although some hybrid governance arrangements involving civil-society and business actors are emerging.

## CONCLUSIONS

The construction of the organic cocoa network in Ghana is ongoing and involves a variety of rationalities, multiple social actors and the mobilization of a web of connections (political

<sup>1</sup> Consisting of the Ministry of Finance and Economic Planning, COCOBOD, the Cocoa, Coffee and Sheanut Farmers Association, the Licensed Buying Association, the Cocoa Haulers Association, the Institute of Statistical, Social and Economic Research (ISSER), the University of Ghana, Legon, and the Bank of Ghana (COCOBOD pers. comm., 19 November 2009).

legitimacy, socio-technical ties), horizontally and vertically, from local level to global level. Our research on this dynamic process has resulted in three major conclusions.

First, it became apparent that the tendency towards sustainability in the global cocoa industry, with its increased focus on transversal critical matters (eradication of child labour, health and safety, and good farming practices) offers fertile ground for newcomers (civil-society and business actors) in the cocoa sector as well as the emergence of hybrid governance arrangements specifically to support the organic cocoa network. However, this is not to say that the processes of initiation, construction and transformation of the organic cocoa network were linear and predetermined. The newcomers had to confront, negotiate with, and gain space and legitimacy from the state agencies. The reaction of the latter evolved from *cautious resistance* (characterized by reluctance and fear of accommodating a private incursion in an area considered as the *chasse gardée* of the state) to *cautious openness* (i.e. acceptance under the condition that the rules of the game are under the control of the state). The long-term investments in networking, trust building and social capital creation of a profit-free organization, Agro Eco LB, played a significant role in this process.

Second, it is notable that the Ghanaian state is still a major player in the cocoa networks. In fact, the state operates simultaneously in multiple roles: as a network partner, co-mobilizing knowledge, research and material infrastructures; as a policy agent, regulating the internal organic cocoa trade, providing buying licenses, and leading the price-setting mechanism; as a network actor, holding a monopoly on the export of cocoa beans; and, most importantly, as a guarantor for the whole process and a trust mediator between business and farmers. However, the active role of the state is less pronounced in the organic cocoa network than in the conventional one. The rise of the organic cocoa network opens up some space for redistributing power to other stakeholders, such as transnational networks, NGOs and businesses promoting organic cocoa. These latter stakeholders control the organic cocoa production node to a large extent, and also get involved in commercial partnerships and participate in the negotiation process at the national level through multi-stakeholder arrangements and public-private partnerships. Thus, even though the conventional cocoa network dominated by the Ghanaian national state still plays a crucial role in the organic cocoa network as well, some hybrid governance arrangements are emerging, creating more important roles for non-state actors. Once again, the facilitating role played by Agro Eco is of key importance in this transformation process and is facilitated by the lengthening of the initial organic cocoa 'seed network'.

Third, the rise of the organic cocoa network has also prompted a socio-organizational and institutional reconfiguration at local level. The organic cocoa initiative engendered not only the abandonment of conventional farming practices, but also a 'dis-embedding' from the related socio-organizational system and a 're-embedding' in, and the formation of, an alternative socio-organizational system. New institutions and organizations have been set up to support, construct and maintain a new socio-organizational framework at the local level, which is conducive for building the organic knowledge system, managing the flows of materials and resources, promoting social control of compliance to the organic standards and encouraging the sense of belonging to a community of practice. Contrary to the often expressed view of 'organic' as moving towards traditional farming practices, this movement indicates that farmers in Ghana perceive organic cocoa farming as a modern practice.

This paper has addressed the question whether the state is still leading in the emerging organic cocoa network from Ghana, pursuing its position in the conventional cocoa network. Our analysis has demonstrated that the growing importance of the alternative organic cocoa market did not lead to a real weakening of the national state in Ghana, as expected by many

scholars. The Ghanaian state also remains a major player in the globalizing organic cocoa network through its control of national markets and international trade relations. However, civil-society organizations and private companies were not only the catalysts in creating the organic cocoa network, and today control the production node, but they also have become well integrated in the emerging hybrid organic cocoa governance arrangement. International NGOs and private companies are playing key roles in establishing local producer networks and in brokering international deals for exporting organic cocoa.

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