



SOCIAL IMPACTS OF FAIRTRADE CERTIFICATION

Identifying general influences of Fairtrade certification on member household well-being due to the generation of Social Capital in coffee co-operatives in Western Uganda

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Abstract

Fairtrade (FT) certification is commonly understood as an economic tool to support small-holder farmers in the Global North to increase their income. However, understanding FT certification as development tool allows for a more holistic investigation, of i.e. the social dimension, of FT certification. In order to frame this social dimension, the Sustainable Livelihood Framework is applied with a specific focus on the generation of Social Capital (SC) to identify general mechanisms of the generation of SC in FT certified coffee producing small-holder co-operatives in Western Uganda. SC is operationalized in this research as effects on formal and informal safety nets and their effect on networks that create trust. To evaluate the findings, FT certification's perceived influences on member households' well-being is looked at. The well-being categories identified for this context are: financial security, good governance, securing basic resources, and community. The main findings are a significant, positively perceived impact of FT certification on financial security and good governance, a moderate influence on the community and a neglectable perceived influence on securing basic resources. Main conclusions are that FT certification mainly works through formal safety nets, providing a stable framework through which SC, in the form of trust, can be generated. This mechanism, however, is also highly depending on informal safety nets, in connection with formal safety nets, lifting trust generation from a mere instrumental understanding to a more maxim-based and reciprocal understanding of trust, able to address multi-dimensional needs. Therefore, with FT policies simultaneously addressing formal and informal safety nets, it has the capacity to sustainably increase small-holder livelihoods in the coffee sector in Western Uganda through the generation of SC.

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Acronyms and abbreviations

ACPCU	Ankole Coffee Producers Co-operative Union
AGM	Annual General Meetings
BJCU	Bukonzo Joint Co-operative Union
BOCU	Bukonzo Organic Farmers Cooperative Union
FGD	Focus Group Discussion
FLO	Fairtrade Labelling Organizations International
FLOCERT	Fairtrade Labelling Organizations International Certification body
FT	Fairtrade
GDP	Gross Domestic Product
ID-circle	Identity-circle
IFOAM	International Federation of Organic Agriculture Movements
ILO	International Labour Organization
JAS	Japanese Agricultural Organic Standard
MWS	Micro Washing Station
NGO	Non-governmental Organization
SC	Social Capital
SLF	Sustainable Livelihood Framework
UCDA	Uganda Coffee Development Authority
UCF	Uganda Coffee Federation

1. Introduction

1.1. Problem statement

Nowadays, going into a supermarket means being confronted with many different logos and certification labels on our food. All of them are promising different things: organic production, protecting biodiversity or fair production and worker conditions. Some of these certification schemes are more reliable than others, but it is difficult to keep the overview as a consumer. For this overview, it is important to understand what certification schemes stand for and what the effect on their target group is. To understand the effects of specifically the Fairtrade (FT) label and certification, we first have to ask two questions: Who is benefiting from FT certification? And, why are those additional benefits important and necessary for this target group? Following this train of thought, we will then have a closer look at the social impact of FT certification.

In the case of FT certification, the target groups are smallholder farmers and workers producing food and cash crops mainly for consumption in the Global North. Feeding the world, people employed in the agricultural sector, make up for more than one quarter, 26.4%, of the world population according to statistics of the International Labour Organization (ILO) from November 2017 (ILO, 2018). However, worldwide 68.9% of this sector find themselves employed in the low-income segment. This tells us that, even though every individual is highly dependent on the production of this sector, it is on a global scale highly undervalued and (or therefore) highly under-paid.

This under-paid labour force is not equally distributed across the world. In less developed countries, mostly in the Global South, the agricultural sector makes up for an over-proportionate share of the countries' GDP (IMF, 2017). That means that especially economically weak countries are shouldering the extra burden of bad income conditions for workers in the agricultural sector and political and social insecurities that go hand in hand with development environments (UN, 2018).

This results in a vicious circle, favoured by the neoliberal market conditions that push producers to enter price and cost competitions on the world market. In the case of food producers, therefore already in the low-income sector, in low-income countries this competition on the world food market often results in a fight for the bare minimum and exposes small-holder farmers to exploitation from middlemen, traders, and consumers (Kappel et al. 2005).

This, most of the time unfavourable dependency on trading intermediaries and low wage expectancies is then further complicated by highly volatile food prices. Most agricultural produce is subject to the commodity market that is reacting to speculations, external shocks and consumer demands (Blokland & Gouert, 2007). Trading with agricultural produce on this very volatile commodity market also makes revenues that farmers and traders get for their products also very volatile. Since small-holder farmers mostly depend on mono-cropping and

only one cash crop (Kappel et al., 2005), this missing diversification and price volatility cause additional insecurity for the weakest link of the value chains in the Global South.

Critics of development projects aiming to support small-holder farmers are often arguing that interference in the free market artificially stops inefficient producers from dropping out and therefore renders the global economy ineffective (Collier, 2007; Fridell, 2004 among others). Ironically, this is often supported with the argument of globalization and that the global economic system only works due to a certain unequal distribution of wealth, i.e. the existence of winners and losers in global supply chains. Often forgotten is, however, that in a globalized world not only positive effects of this unequal distribution, as in low food prices, are shared. Negative spill-over effects of this unequal distribution are e.g. an increase of economic refugees in the Global North (Memisoglu & Ilgit, 2017). In the long run, if food production and the primary sector becomes unattractive because small-holder farmers cannot make a decent living anymore with their produce, the resulting rural exodus might cause global food scarcity or increases dependency on a few big agricultural producers (Andersson Djurfeldt, 2015).

At this point, working and income conditions in the Global South become a global political issue. Development politics is seeking to find policies to counteract these unequal development processes and to support less developed countries to escape this vicious circle (Hirsch & Shotts, 2015). Given the influential position that economies and market mechanisms have in our neoliberal era, it is of special interest to understand the coexistence of economic systems that favour unequal development, the survival of the fittest and the humanitarian wish to support the less privileged in order to guarantee the same opportunity structures for everybody (Ganti, 2014).

FT is one of the most popular development policy tools, that seeks to interfere in this complex interaction. FT policies include reducing the fluctuation of market prices by introducing a floor price and a FT premium in addition to the current market price (De Janvry et al., 2015). Co-operatives get access to the FT system through certification checking upon economic, ecological and social criteria, amongst which labour conditions play a big role.

“Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.”

(WFTO, 2018)

First introduced in 1988 by the Dutch non-governmental organization (NGO) Solidaridad, the Max Havelaar seal developed to the now well-known FT certification with global FT sales

summing up to \$7,88 billion in 2016 (Fairtrade International, 2017; Elliot, 2012). Although substantially gaining in popularity, the effectivity of FT certification affecting small-holder farms economically, ecologically and socially remains highly disputed.

Whereas many authors find FT to have the potential to contribute to the sustainable economic development of resource-poor farmers (Bacon et al., 2008; Barham et al., 2011), other authors only find little or no effect (De Janvry et al., 2015). These differences can be partly explained by the different aspects of the FT certification researchers focused on.

There has been previous research on all three different impact dimensions of FT: economic, ecological and social (Ruben, 2008). This research will focus on the social impact of FT for several reasons. First of all, most of the research has been devoted to the economic aspect, however, most recent research has shown that the economic effects have been marginal (De Janvry et al., 2015; Cramer et al., 2017; Wilson & Jackson, 2016).

De Janvry et al. (2015), calculate the average financial gain for FT coffee producers between the years 1997 and 2009 and only find an increase in annual consumption of roughly 1.5%. Considering the large body of literature already available on the economic impact, this project will not reinvestigate the economic aspect.

This research will neither focus on the ecological effects. For reaching ecological improvements in the agricultural sector, other certifications such as Organic or Shade certification have been proven more successful (Philipott et al., 2007). Therefore, given the growing popularity of FT certification, one might question if that popularity then mainly results from the last aspect remaining - the social impact of FT.

This third impact on people's lives is relevant if we do not look at certification as a mere economic tool but as a development tool. This understanding allows us to look at target groups from a more holistic perspective. This holistic approach to target groups and poverty alleviation intends to see development as multidimensional livelihood development, acknowledging individual household's social context as a main impact on perceived well-being. This social impact will be defined in the following as Social Capital (SC). Since SC is still a relatively new concept in its application to the development sector, this research aims to provide a general overview over the scope and impact, changes in SC can have on perceived household well-being.

To assess the impact of FT certification as a development tool, Uganda with its long agricultural tradition and its political stability provides a good case study for inquiring these impacts on households. Given the importance of the coffee sector to the Ugandan economy and its importance as a main employer (Ugandan Bureau of Statistics, 2019; UCF, 2019), this research looks at the general social impact of FT certification specifically on coffee co-operatives and their member households. This endeavour is guided by the following research questions.

1.2. Research question

The research aims to answer the main research question:

“What are the general influences of Fairtrade certification on member household well-being due to the creation of Social Capital in Fairtrade coffee co-operatives in West-Uganda?”

To answer this question, this research will focus on three subcategories according to the SC definition by Adato and Meinzen-Dick (2002) and their influence on well-being:

1. What is the perceived influence of FT certification on a household’s membership or **formal safety net** in a coffee co-operative?
2. What is the perceived influence of FT certification on a household’s **informal safety net**?
3. What is the perceived formal and informal safety nets’ contribution to the **creation of trust**?
4. What are the resulting perceived changes in **well-being**?

This research aims to make a general assessment, based on findings in nine FT coffee co-operatives in Uganda if FT makes a (substantial) contribution to strengthening household well-being through its influence on SC.

This thesis will aim to answer these questions in six chapters. First, the background to this research will be discussed, including an introduction to the historical context of coffee growing in Uganda (2.1.), Fairtrade in general (2.2.), coffee certification in Uganda (2.3.) and the nine selected co-operatives (2.4.). Following this part, the theoretical framework chapter will discuss the main theoretical concepts applied in this research. These concepts are the Sustainable Livelihood Framework (3.1.), with a focus on its structure (3.1.1.), Social Capital (3.1.2), and the concepts of trust (3.1.3.) and well-being (3.1.4.), followed by advantages and disadvantages (3.2.). After that, the operationalization of these concepts will be elaborated (3.3.). In the fourth chapter, the methodological set-up is discussed, explaining the research design (4.1.), data collection (4.2.) and methods (4.3.). After that, the analysis will first focus on all here discussed dimensions of SC, membership in organizations (5.1.) or formal safety nets (5.2.), informal safety nets (5.3.) and networks that create trust (5.4.), in turn before discussing their effects on the well-being of member households (5.5.). This is followed by a discussion chapter discussing limitations (6.1.) and additional observations (6.2.). The final chapter includes a conclusion (7) and recommendations by the author (7.1.).

2. Background

In this chapter, background information will be provided on the environment of this research, before diving into the specifics of the generation of SC due to FT certification in Ugandan coffee co-operatives. To better understand the (local) context of this research a short historical overview over recent developments in the Ugandan coffee sector will be given (2.1.), followed by the provision of a technical overview over FT certification (2.2.) and an overview of coffee certification in East Africa (2.3.). Finally, the three selected unions will be introduced, together with a short run down through their organizational make-up (2.4.).

2.1. Historical background

Historically, coffee became important for the Ugandan economy during the Second World War, when the British protectorate sought for profitable crops abroad to make up for wartime expenditures. In this period Uganda started intensifying the indigenous Robusta crop. In 1925, coffee made already up for 1% of Uganda's commodity export, but the boom in production took further 15 years until the coffee sector started to organize itself in co-operatives. After the independence from the British, the state-owned Coffee Marketing Board resumed full control of the coffee sector until a devastating market crash in 1987 and following substantial market reforms in the 1990s. A very interesting aspect of this re-organization of the coffee sector in Uganda is, that Uganda went for inspiration to other coffee processing countries in East Africa and Latin America, finally deciding to remodel their sector according to the set-up of Costa Rican 'cafeteros'. Subsequently, to revive the coffee sector, production was given back into private hands (Iyamulemye, 2017). With the help of the World Bank Agricultural Rehabilitation Project, the re-privatization of the coffee sector and the creation of two supporting government agencies, the Coffee Marketing Board Limited and the Uganda Coffee Development Authority (UCDA), Uganda regained their influence on the global coffee market. The emerging governmental bodies were now merely responsible for national monitoring and regulating the industry and advising the government on policy issues while the Coffee Marketing Board addressed the responsibilities of trading and coffee processing.

After that, according to the Uganda Coffee Federation (UCF), coffee made up for up to 60% of Uganda's annual export revenues between 1996 and 2000 with estimated 20% of the entire population making more than half their cash income with this cash crop (UCF, 2019). Recent numbers confirm that coffee makes up for the most important national export crop with over 250,000 tonnes of coffee being exported in 2018 for over US\$436 million (Uganda Bureau of Statistics, 2019). It is estimated that today there are about 500,000 small farms of varying sizes that grow at least some coffee (UCF, 2019). Together making up of a plant population covering roughly 1,100 ha with Robusta and 1,640 ha with Arabica cultivation with an annual total production of 282,000 tons (UCDA, 2017). Today both Robusta and Arabica coffee beans are grown in Uganda, even though only Robusta is indigenous in Uganda. Most Robusta is sun-dried although in recent years there have been modest attempts to reintroduce wet-processing. Most coffee originates from the Western half of the country with a few exceptions

in the East. Arabica, which is the more care intensive and demanding cultivation is mainly found in the highland areas of Mount Elgon on the border with Kenya and the slopes of the Rwenzori Mountains, where also the for this research selected unions can be found (UCF, 2019).

The main tasks of the UCDA government body today are the development of planting materials and seedlings, to provide financial support for coffee-related research and to support extension which had been greatly affected by the reforms. This extension support includes the enforcement of regulations, quality monitoring, market intelligence and information, gathering statistics, undertaking promotions efforts, coffee replanting and expansion to new coffee-growing areas (Iyamulemye, 2017; UCDA, 2019). For small-producer unions in the coffee sector, this means to run all registration and administration procedures as well as international trading endeavours via the UCDA. In return, government authorities provide the unions with trainings, seedlings, international marketing of Ugandan coffee and research on pests. However, critical voices from within the unions submitted for consideration that there are not enough trainers and extension officers employed to stem and provide the necessary support to all unions.

Experiences with FT certification and the generation of SC are therefore only reporting back to the 1990s when the market was privatized, and unions emerged as they are found today. Interestingly, this reorganization is to be found in close temporal proximity to the creation of the FT brand.

2.2. Fairtrade

After introducing the historical development of coffee production in Uganda, we will have a closer look at the emergence of the FT certification scheme in coffee production in Uganda. For this, a historical overview will be provided, explaining how it evolved and what FT certification entails on a technical and organizational level for small-holder farmers.

The evolution of fair trade, FT standards and certification goes back to the intention to control the rapid price decline in the price of primary commodities in international commodity markets in the politically unstable situation during and after the Second World War. The first fair trade networks and organizations can be traced back to religiously motivated support of selling handicrafts in the Global North produced in the disadvantaged Global South. Fairly traded coffee was introduced in the market in 1973 and soon made up for a bigger market share among FT goods than handicrafts and expanded the FT network further (Fridell, 2004).

FT International, as it is known today, has its origins in the Netherlands in the NGO Solidaridad and the Max Havelaar Foundation, that was created in 1988 to make FT products marketable and sellable on the open commodity market in comparison to only very limited direct-purchase projects (Fridell, 2004). Accompanying certification requirements and standards were introduced to secure added social and symbolic value for producers worldwide. Since 1997 different organizations and initiatives, such as Max Havelaar, organized themselves as the Fairtrade Labelling Organizations International (FLO), agreeing to adhere to strict ILO

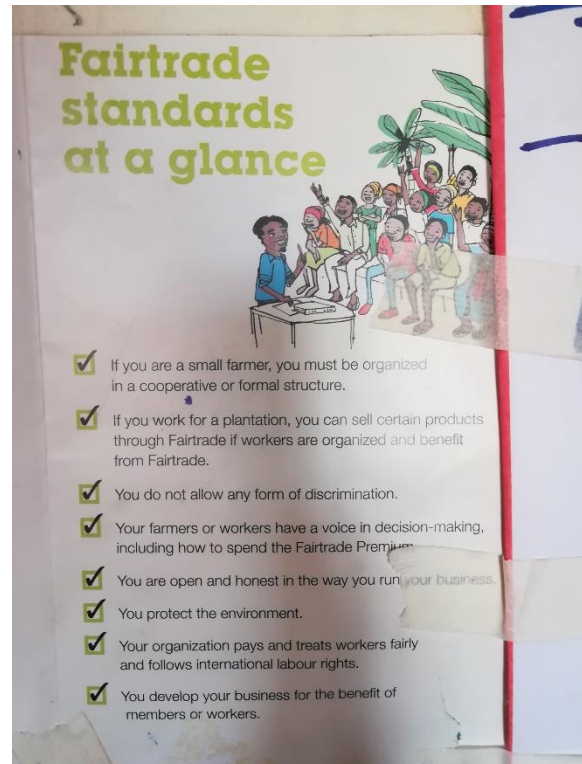
Conventions (FLO, 2019). These conventions included non-discrimination policies, no child labour, no forced labour, freedom of association, collective bargaining for plantation workers, environmental sustainability, occupational health and safety standards (Fridell, 2004). In 2002, they were launching the FT certification mark, as it is seen still today in supermarkets e.g. for the biggest seven FT commodities: tea, bananas, orange juice, cocoa, honey, cane sugar, and coffee. This step was mainly taken to increase the visibility and awareness of FT among consumers. With this certification, FT small producer organizations agreed to be run by a General Assembly, based on democratic processes with voting rights for member households (FLO, 2019). In return, produced goods were sold with a guaranteed minimum price and the FT premiums being paid to producers of primary goods. In 2004, FLOCERT joined the FT family as inspection body to secure the application of standards and facilitating the certification procedures for producer organizations and the audits for traders.

FT's mission is to "support small-scale producers and workers who are marginalized from the benefits of trade" (Fairtrade International, 2019). The goal is to ultimately reach a world in which producers of food and non-food products reach a sustainable Livelihood, can decide independently on their future and enjoy accompanying security in a volatile commodity market (Ruben, 2008). To reach this, FT pursues three long-term goals: make trade fair; empower small-scale producers and workers; and foster sustainable Livelihoods (Fairtrade International, 2019). The complete FT system as of today is made up of three regional producer networks representing farmers and workers across Africa and the Middle East, Asia and the Pacific, and Latin America and the Caribbean. These three regional producer networks are further divided into 19 national FT organizations, and eight marketing organizations busy promoting FT products in different consumer countries (Fairtrade International, 2019a).

In the case of coffee production, FT certified organizations are mainly organized in small-scale producer organizations. Small-scale producer organization means at least 2/3 of members are small-scale producers on fields where a member grows a FT crop equal to or below 30 hectares. This, besides the democratic organization of the co-operative, including the General Assembly and votes, transparent and environmentally friendly processes, and the participation in regular audits are main certification requirements for small-holder producing organizations. The main benefits are a set FT minimum price, FT premium, a voice in decision-making, regulated working conditions (see ILO standards), FT market access, and pre-financing. FT minimum prices for Arabica coffee are US\$1.35\$ to US\$1.40 per pound of natural/washed coffee beans and for Robusta coffee US\$1.01 to US\$1.05 per pound of natural/washed beans sold on FT terms, plus 30 cents extra if additionally, organic certified (Fairtrade International, 2019b). With prices plummeting in 2001 to only 45 cents per pound of Arabica coffee, this minimum price is a making a serious difference in a very volatile commodity market. On top of this, for each pound of coffee, Arabica and Robusta, 20 cents extra are paid in FT premiums to invest freely in one of the following four categories: quality improvement, economic development of the organization, social development, and the environment. In the case of coffee, at least 5 of these 20 cents per pound must be invested in

quality improvement. According to FT International, 112,000€ were paid in FT premiums on average to producer organizations in 2016 (Fairtrade International, 2019c).

Concluding one can say, that FT demonstrated impressive growth in merely 30 years from a small organization in the Netherlands to a worldwide movement. With this expansion, the African continent, and therefore also Uganda, became an essential sourcing region for this newly evolving FT market.



Picture 1 and 2: FT information flyer found in the BJC main office
Source: Author

2.3. Coffee Certification

Coffee certification in general and in East Africa is still relatively new, with the first certification scheme Max Havelaar emerging in 1988, soon followed by the International Federation of Organic Agriculture Movements (IFOAM) in 1990 and Rainforest Alliance in 1993 (Ruben & Hoebink, 2014). Given the dire production circumstances in East Africa, highly fluctuating commodity prices on the international coffee market, combined with the mainly financial incentives connected with certification schemes, the growth of the certified market share in East Africa increased rapidly. In 2014, roughly 26% of globally sourced certified coffee came from this region. This success story had a short interruption around the turn of the millennium mainly caused by newly emerging pest and diseases, faulty management and corruption and aging coffee trees (Salami et al., 2010).

In this specific case of the Ugandan coffee sector, the certification bodies are mainly addressing small-holder co-operatives organized in democratic farmer unions across the country producing both Robusta and/or Arabica coffee.

For specifically this context, Ruben and Hoebink (2014) conducted an exhaustive overview of the different impact levels of certification schemes in small-holder farmers in the certified coffee sector. In the following, this overview will be summarized. Since the following research will focus mainly on the impact of specifically FT certification, a special focus is put on influences generating through this certification scheme.

The first level of impact of certification is on the level of the coffee plot itself, describing only very limited effects of FT certification on quality upgrading endeavours (Ruben & Zuniga-Aras, 2011), the second impact level is described as the impact on farm-level effects. But as already quickly described in the introductory chapter, only a little or negative impact is found of FT certification on on-farm diversity or biodiversity (Philipott et al., 2007; Van der Vossen, 2005). The third level describes the effects on the household level, where Arnould et al. (2009) find marginal but positive effects of FT certification on the general level of health and education. On the fourth, and more important level for this research, they are explaining effects on the co-operative and between co-operative and member households. In this category fall effects of FT on SC, i.e. the influence on democratic internal organization and participation, where Elder et al. (2012) describe the central position of these aspects and the importance to reach positive outcomes through certification. The fifth impact level describes effects on the community, e.g. through spill-over effects of FT premiums that are partly invested into community projects. And lastly, certification can affect the market and supply chain network. Sustainable improvements are scarce again in this impact level, due to too limited markets for too many certified crops (De Janvry et al., 2012).

Concluding can be said, that even though certification in coffee production in East Africa is very popular, the effects of this certification is highly disputed. Social impacts of FT certification, or impacts on SC, however, are among the most positive and significant findings in literature.

2.4. Target group context¹

All nine here selected co-operatives are FT and organic certified and located in the Rwenzori Mountain region in West Uganda. The following will provide some general information on the make-up of co-operatives in the coffee sector in Uganda (2.4.1.), with some additional biographical and organizational data of the selected unions (2.4.2.) to shed some light on the circumstances of this research and to provide some understanding of the organizational set-up of co-operatives in general.

¹ This part is informed by Focus Group Discussions, interviews and observations made in the nine co-operatives during a one-month field period. Findings were then generalized and coded for the identification of trends to build the basis for this analysis. The uncoded transcripts can be found in Appendix 4.

2.4.1. Uganda

Uganda was chosen as the target country due to three reasons. First, Uganda looks back at a long history of organizing the agriculture sector in co-operatives. First centrally organized from the Ugandan government to centralize and boost the agricultural sector after the devastating period of war (Wanyama et al., 2009), the co-operatives network grew strong and independent from the government to now comprise a total of 3,212 co-operatives on probation and 9,967 permanent co-operatives in Uganda in 2012 according to the most recent publicly available data from the Ugandan Ministry of Trade, industry and co-operatives (Ahimbisibwe, 2012).

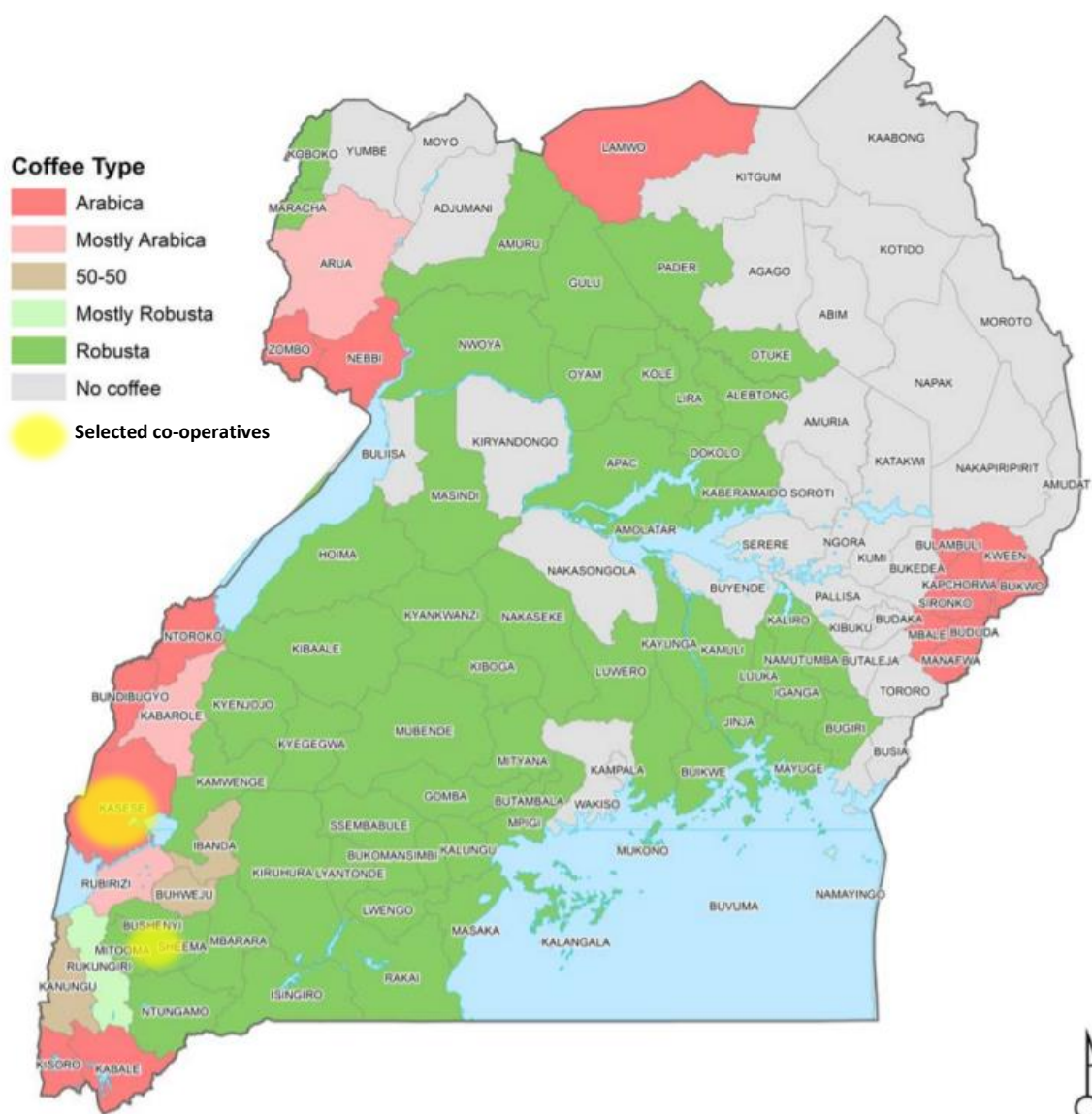


Figure 1: Distribution of coffee varieties and selected co-operatives in Uganda
Source: Adapted from Moriaria and Sprott (2018)

Secondly, the coffee sector, and therefore also the FT-coffee sector, forms a huge part of Ugandan agriculture (Kappel et al., 2005). According to data of the International Coffee Organization (ICO, 2019), Uganda is currently the biggest exporter of coffee on the continent, followed by Ethiopia. Both, the historically grown co-operatives and the coffee sector have been covered in previous research to provide a reliable theoretical background to this research and the co-operatives with sufficient experience in the FT sector to make possible findings reliable.

The third and last advantage of Uganda as the target country is the relatively stable political situation (Auswärtiges Amt, 2018). This guarantees a smooth data collection period without increased risk for the researcher to become a victim of a crime or to endanger research participants with the research project and reduces the external influences on our target group.

The West of the country, along the slopes of Mount Rwenzori, is chosen because it is one of the main coffee-producing areas of the country (Morjaria and Sprott, 2018).

2.4.2. Unions

First, in order to discuss the make-up of a co-operative, one has to zoom out to the bigger organizational unit of unions. The three unions in this research are all located in Western Uganda close to the Rwenzori mountains. Two of them, Bukonzo Organic Farmers Cooperative Union (BOCU) and Bukonzo Joint Co-operative Union (BJCU), have their headquarters and their main body of member households in Ankole, whereas Ankole Coffee Producers Co-operative Union (ACPCU) and their main constituency is located in the Sheema region (see Figure 1). Unions and co-operatives are generally not limited to a specific region or demarcation area because member households usually spread out over vast areas in search for arable or free land.

The organizational structures in all three unions are similar but not identical. All three unions are small-scale, FT and organic certified, producer organizations. This means that their member households buy shares of the union in order to become part of the union and their plot is predominantly operated and managed by family labour. An informal requirement for joining a certain union or co-operative is the relative geographical proximity. Since coffee has to be transported to the union headquarter twice a year, in the main season and fly crop season, where it is then prepared for export, proximity is a big advantage. All three unions adhere to transparent and democratic organizational structures with Annual General Meetings (AGMs), independent voting, financial, quality control and certification committees. These committees are regularly re-elected based on national co-operative bye-laws and individually decided upon bye-laws and procedures, also called the Internal Management System. The General Assembly, also often referred to as the Board, is the highest decision-making body in the union, co-operative and micro washing station (MWS), and decides on the general direction of the organizational level presiding over, supervised by a specially elected surveillance committee guaranteeing transparent administration on behalf of the members. The unions are generally responsible for the marketing and export as well as the

communication with business partners and the organization of audits for certification. For this, board members are usually in close cooperation with the co-operatives and their board members often through so-called field and extension officers. These officers are responsible for knowledge dispersion, the on the ground organization of internal audits and internal quality control. The only processing step in the union before export, that is done by workers and non-members, is the hand sorting of the dried beans. For these tasks, women from adjacent areas are invited to the unions where the sorting into good and defect beans is done in hours of manual labour.

ACPCU, the only Robusta producing union is the biggest with roughly 10,000 members, but also the most simply organized union (see union organigrams in Appendix 3). They were first registered as coffee-producing union in 2006, and they have at the time of this research 20 co-operatives providing dried coffee to the union, where it is then washed and hand-sorted and tested for its quality before the union deals with the export.

BJCU is the oldest union of the three, registered in 2005. BJCUC has 4,500 registered member households, that are organized in eight co-operatives and 23 MWSs. To facilitate especially financial and quality control measures, these MWSs are further divided into solidarity groups. These groups are closed groups of about five member households, who act as trustees for each other and first contact in case of problems in the family, with the yield or in financial difficulties to apply for a loan. Even though all three unions have something similar to these groups, BJCUC is the only union that has them formally organized in a formal framework of rules and obligations.

BOCUC is the smallest union organized in eleven co-operatives and 36 MWSs with 3,500 member households. These MWSs are a next smaller organizational union where coffee is collected from member households, dried and washed before it is further transported to the co-operative and union. At the union, the coffee is again collected, sorted, tested for its quality and prepared for export. BOCUC is the youngest co-operative union registered in 2009.

2.4.3. Co-operatives

The selected co-operatives in these three unions are Kabura Co-operative (ACPCUC), Kyeibanga Co-operative (ACPCUC), Nyebingo Co-operative (ACPCUC), Kanyatsi Co-operative (BJCUC), Mughete Co-operative (BJCUC), Karughabira Co-operative (BJCUC), Kinone Co-operative (BOCUC), Kyondo Co-operative (BOCUC), and Rwenzori Farmers Marketing Co-operative (BOCUC).

The FT certification process takes place on this organizational level, where lists are drawn up listing member households who wish to be certified. These lists are then sent to FLOCERT the certification body of FT. Random samples of this list are inspected by external FLOCERT auditors, before the whole list the co-operative handed in gets FT certified.

The exact years of certification of the co-operatives selected for this research are 2011 (Kinone Co-operative), 2012 (Kyondo Co-operative, Kanyatsi Co-operative and Mughete Co-operative), 2013 (Kyeibanga Co-operative) and 2014 (Karughabira Co-operative). Exceptions

are Kabura Co-operative, already FT certified in 2009, and Nyebingo Co-operative and Rwenzori Farmers Marketing Co-operative, that only got certified in 2016.

One of the most impactful organizational sub-groups in these co-operatives are so-called saving and credit groups. These groups are financed through third parties, joint saving and the union providing member households an opportunity to save money and get loans for very low interest rates. These saving and credit groups are historically founded to support women financially but are now more and more also open to men. In most cases, these groups are organized around monthly meetings for joint savings and financial training. In the case of ACPCU, this is organized by the gender officer, in the other two unions by extension and financial officers and committees. BJCUC is the only union among the three which also includes the hand-picking women in this scheme.

Bye-laws

Bye-laws are specific official and legal regulations and rules, regulating, in this case, the trading and economic engagement in the coffee sector in Uganda.

On a national level, these bye-laws regulate pre-requisites and formal requirements for the formation of unions and co-operatives, their insurance, regulation concerning certification and trading regulations (UCDA, 2019a).

The same set of rules is also decided upon on union and co-operative level. Those rules emerge in AGMs, on co-operative and union level respectively, in a democratic voting process and, therefore, represent each member household and gain legitimacy. This voting process also increases identification with the bye-laws and therefore reduces the number of violations of these laws. This, in turn, increases further the (feeling of) security in the co-operatives and households.

In the case of co-operatives are bye-laws mainly concerned with voting procedures and the transparency of business transactions, whereas bye-laws on union level additionally deal with the relationship between union and business partners and union and national bye-laws (personal communication, BJCUC).

2.4.4. Meetings

These saving and credit groups are one important benefit for member households among many. The general importance of these meetings comes from the creation of opportunities for encounters, sharing and learning for the member households. Some of these opportunities are organized by the union, such as the union AGM.

The AGM is an annual meeting for the whole union, where representatives for all lower organizational units, i.e. MWSs and co-operatives, are present to elect the new staff members and decide on wider organizational decisions, such as the use of the FT premium money. All members are invited and have a say at these meetings, but challenges such as bad infrastructure, missing means of communication and lacking time, often lead to unequal

representation of co-operatives and individual member households. This is also a challenge because these AGMs are also often used to inform union members about current developments and as an opportunity for trainings.

The same meeting is being conducted on lower organizational levels, on co-operatives and sometimes MWSs, with the same reasons and challenges. However, since the catchment area is smaller, representation and participation are easier.

Since participation is difficult due to the above-mentioned reasons, training is often provided to staff members and representatives who are then asked to further disseminate the gathered knowledge in their respective area, co-operative or MWS. Challenges arise because staff members often do not feel equipped to further distribute knowledge to their fellow member households and therefore knowledge and information often gets lost in the process. To make communication more direct and to reduce the responsibility of staff members, radios are gaining importance as a medium of distance meeting platform.

Additional opportunities for meetings for member households are saving and credit groups and the moment of crop delivery at the MWSs and co-operatives.

This introduction to the background of this research shows that findings have to be understood in the light of privatization of the coffee sector in Uganda in the 1990s and the relatively new introduction of FT certification in East Africa and to the co-operatives, dating back three to ten years. It also indicates the importance of the coffee-growing sector in the country and where to locate the target co-operatives, as well as provides an overview of the organizational make-up of the selected unions. Especially the organization of meetings on different organizational levels will come back as an essential element in the generation of SC throughout the research.

With this background in mind, we will continue with an introduction to the main concepts applied in this research.

3. Conceptual Framework

Social impacts, as this research tries to measure and evaluate, are highly context-sensitive and based upon personal perceptions, what renders them difficult to measure. For this research, the Sustainable Livelihood Framework (SLF) has been chosen to operationalize these perceived social impacts of FT certification on member households in co-operatives. Social impacts on member households are therefore being embedded as SC into a wider complex framework allowing for adaptations and varying influences depending on changing contexts. Due to its participatory nature, this framework also provides this research with a focus on personal perceptions, further adjusting findings to cultural and spatial-temporal contexts. The introduction of trust will then describe the link between increased SC and increased perceived well-being in member households. Finally, to measure this well-being, the concept behind this term is being established.

This chapter will focus on introducing this SLF (3.1.) with SC, the concept of trust and the for this research essential Livelihood outcome well-being. This will be followed by a discussion of its advantages and disadvantages (3.2.) and the introduction of Maslow's hierarchy of needs to discuss challenges in the target group (3.3.). The operationalization of these concepts for this research (3.4.) will directly follow. To operationalize these concepts, the application to the FT context will be justified (3.4.1.) and causal relationships explained (3.4.2.).

3.1. Sustainable Livelihood Framework

The SLF was chosen because it uniquely fits the chosen target group, small-holder farmers in cash crop production in developing countries.

Before one can understand the choice of the SLF for this research, the context of this research has to be understood. Uganda must be looked at through the biggest employment sector agriculture. This sector consists of subsistence farming, mainly producing food crops, but it includes cash crop farming as well, such as coffee and vanilla. In the generation of both, cash and food crops, income is rather low and working conditions are rather bad. This is the entry point for FT with the main aim to prevent farmers from sliding into poverty or impoverished households to regain a decent standard of living through their work (Fairtrade International, 2018a). Poverty, however, is not a simple construct. Therefore, to understand the struggle impoverished households have to face, and the sphere of influence of FT, one has to understand the multi-dimensional character of poverty.

In most cases, income is being generated from various sources. Surplus food crops are sold on markets, cash crops are sold to the co-operatives or middlemen and both men and women might have various side businesses to supplement the family income. This income is not only used for the person generating it but usually planned for and consumed by a household. This makes the generation of a decent Livelihood not only depending on one income but needs to be understood in the context of multiple, supplementing and often temporary incomes and the social network a household is a part of. Therefore, to reduce poverty, all these varying,

supplementing and sometimes conflicting influences on a households Livelihood need to be addressed.

A household in Uganda making up for 4.7 members on average, comprising of three children, mother, father and sometimes grandparents they are taking care of (Ugandan Bureau of Statistics, 2017). In a country with little or no social insurance system, the family is a primary caregiver and support system. This means a framework depicting and concerning poverty prevention and small-holder support, also needs to address this household level to measure the full effect of policies and measures taken.

To understand the SLF and its application to this research, an explanation of the different elements will be given (1.1.1.) and SC, as the target asset in this research closer defined (1.1.2.). This is then followed by a description of the concept of trust (1.1.3.) and well-being as Livelihood outcome (1.1.4.).

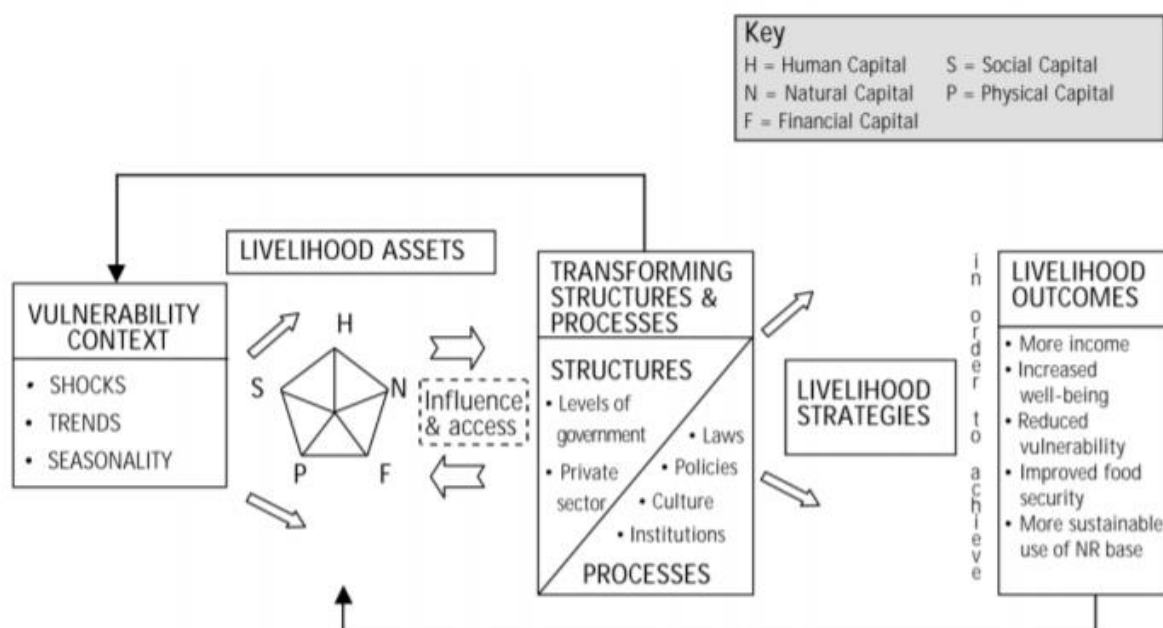


Figure 2: Sustainable Livelihood Approach
Source: Adapted from Adato and Meinzen-Dick (2002)

3.1.1. SLF structure

In this holistic approach, a household's Livelihood is considered to be the result of a household's five different assets (human capital, natural capital, financial capital, physical capital, and social capital). These assets are what a household's Livelihood is made up of. Using these assets in different combinations, here described as Livelihood strategies, generates Livelihood outcomes for these households. These Livelihood outcomes are always highly dependent on the perceived needs of a household in a certain moment and can comprise an increased income, increased feeling of security or an increase of a combination of variables,

resulting in increased well-being. This Livelihood outcome then, in turn, has an influence again on the composition of household assets and therefore closes the cycle.

This cycle is embedded in a political, organizational and societal context. This context supports or impedes the translation of capitals into Livelihood strategies through transforming structures and processes. Influencing structures can be state regulations and market regulations a household is a part of. An example of these formalized structures can be the regulations UCDA poses on small-holder farmers in the coffee sector in Uganda, or the market mechanisms small-holder farmers have to adhere to if engaging in international trade. Processes then describing more the specific applied processes in this broader structure. These processes and contexts a household exists in range from cultural norms to applicable laws influencing the generation of new assets or the translation of these assets into Livelihood strategies. An example in the context of this research are countrywide bye-laws concerning coffee trading.

These processes and structures of a household's socio-political and economic environment have direct impacts and implications for rules of peaceful coexistence in a society. Nevertheless, there are also influences on a household's Livelihood, these households have no direct influence on. This dependence of a household's Livelihood on external factors is the so-called vulnerability context. This context includes external shocks, such as a global drop of commodity prices, or environmental disasters, influencing the composition of assets or capitals a household has access to. A Livelihood outcome can also be an increased resilience towards these external shocks (Quandt, 2018).

Methodologically, it is building up on Rapid Rural Appraisal and participatory research and therefore considered a very practical and action-oriented approach that is easily translated and used by international NGOs such as CARE and Oxfam (Adato & Meinzen-Dick, 2002). The easy applicability is the result of the acknowledgement of all these different factors that go into the making of a household's Livelihood. This acknowledgement leads to the understanding of a more holistic understanding of all interdependencies between different actors, sectors, and contexts on the Livelihood of a household.

A Livelihood in this context is considered the sum of all decisions made by a household, their influence on their socio-political and economic context and vice versa. This puts an equal focus on social environments, including friends and family and the generation of trust, as on economic environments. This shared focus, away from a purely economic influence on a person's or household's well-being is a major contribution of the SLF. In this understanding, on the one side, enumerated and unenumerated work is enabling the household to purchase basic goods necessary for a healthy life, including food, cater for their health and enable individual members to pursue education and professional development (Chambers, 1997; Adato & Meinzen-Dick, 2002). On the other side, this increase in financial means and investments in an increased quality of life is not possible if the household is not part of an enabling societal network or political structure prohibit a household from benefitting from their work. Additionally, it leaves room to define quality of life in a very individualistic and

tempo-spatial sensitive way. If an observed society puts more value in societal growth or sustainable environmental practices, this can be done justice. The important trait the SLF holds therefore is, that it leaves room for these differences among households and their differing societal and tempo-spatial contexts. This focus on differentiated target variables and multiple input variables invites to understand Livelihoods as a very individual and evolving concept over a long-term period, leading to a more holistic understanding of development away from strictly economic needs.

This more holistic approach is important because it allows development organizations to evolve from short-term economic fixes to long-term enabling environments.

The input generating this long-term improvement in households' situations comprises of different capitals working simultaneously. Adato and Meinzen-Dick (2002) describe five such capitals: human capital, financial capital, natural capital, physical capital, and social capital. Human capital and financial capital are the best known and self-explanatory capitals, with human capital describing learned skills and knowledge, whereas financial capital refers to money a household has at hand. Natural capital describes the availability of water or land available to grow crops for example, and physical capital stands for infrastructure. This infrastructure in the broadest sense also includes sanitary facilities and means of communication and shelter. Finally, social capital comprises of social bonds holding households together and enabling a working environment as much as society and togetherness at large.

These Livelihood assets or capitals then interact and exist in a wider network of structures and processes, such as governments and political environments, cultural institutions or economic environments. This structural context is then defining together with a household's vulnerability context the individual choice of Livelihood strategies. Vulnerability contexts can be understood here as the influence of shocks or environmental vulnerabilities households exist in but have no influence on. Both contexts are in constant interaction with each other and the capital assets of a household informing and defining their Livelihood strategies ideally leading to increased household well-being. Livelihood strategies can be understood as a composition of different means to increase a household's income or feeling of security.

This well-being, a concept explored later, is then, in turn, one form of Livelihood outcome. How that well-being is defined is a highly individual measure and can include everything that is important to the individual in the observed context at a specific point in time. Other Livelihood outcomes might be decreased vulnerability or increased assets, depending on the definition in the specific context or the excerpt looked at.

3.1.2. Social capital

The capital focussed upon in this research is social capital, describing a household's membership in organizations, e.g. formal safety nets, informal safety nets and their contribution to the creation of trust (Adato & Meinzen-Dick 2002).

SC, in general, can be described as a pool of joint resources generated by the cooperation of individual members that can be used together (Putnam, 2000; Kapucu, 2011). It describes a delicate social network creating trust and reciprocity in formal and informal frameworks benefitting the whole community as long as there is one joint goal individual members are working towards (Kapucu, 2011). The specific dimensions SC is described in differ, but always comes back to a group's organization in formal and informal contexts and the resulting creation of trust and reciprocity (see Figure 3) (among others: Inglehart, 1997; Putnam, 2000; Chang, 2013).

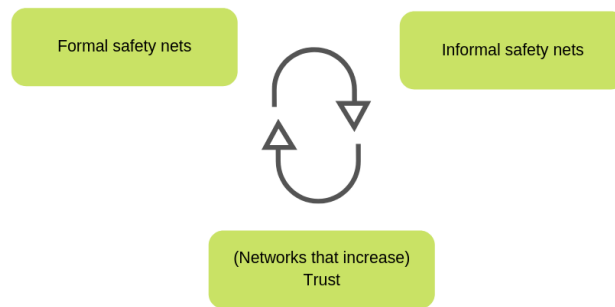


Figure 3: Basic elements of SC as investigated in this research
Source: Author

The first dimension of SC selected for this research, called ‘membership in organizations’ by Adato and Meinzen-Dick (2002), builds a formal safety net for households that serves as formal support consisting of rules and guidelines formalizing the co-operation in a group. This facilitation of cooperation is important because the organizations looked at serve as a common ground for diverse groups with diverse backgrounds and beliefs reducing social, economic and cultural differences in organizations (Adato & Meinzen-Dick, 2002). These formal rules and guidelines steer the access to and distribution of certain rights and opportunities, such as access to education, health care or a higher income. Moreover, they are responsible for rewarding co-operation and trust-building behaviour as well as punish uncooperative and harmful behaviour towards the network.

In this research, these guidelines can be understood as internal and external rules and regulations. The internal guidelines are written down in bye-laws on co-operative and union level, whereas external guidelines are provided through certification bodies, national entities or business partners. This formal framework will be further referred to as formal safety net.

External regulation mainly comes with certification and membership in bigger organizations and entities. These entities could be the UCDA or certification bodies such as FT and FLOCERT as their certifier. Following FT criteria, AGMs are organized, and elections held. This is accompanied by transparency and accountability increasing requirements, such as constantly controlled accounting books and tightly regulated financial flows. These regulations influencing the organizational make-up of co-operative and a union, are supplemented by regulations concerning the coffee market (Fairtrade international, 2019). These rules and

regulations relating to the FT certification process (see 2.2.) secure conformity with the FT guidelines.

Informal safety nets are the informal pendant to the membership in organizations. This includes usually the relationship towards family and friends. This informal safety net is bound by emotional bonds and therefore less affected by external circumstances. This aspect of SC is especially important for the psychological well-being of a person and the psychological resilience towards shocks (Wilson & Gilbert, 2005).

This informal safety net is made up of a group that is very close to the observed entity. This closeness, however, is a very subjective term and difficult to generalize. Findings relating to this sub-category depend heavily on perceptions from the observed category. A few general statements can, however, be made. Especially groups with a high emotional connotation, such as family, friends and religious groups, are more likely to fall in this category. Given the usually strong emotional ties, this group serves as a more permanent and stable support group, when it comes to external influences (Talmage et al., 2017). However, this emotional tie makes the group also more vulnerable to influences in the group and also usually follows an in-group moral codex that should not be underestimated when investigating its effect on policies, such as FT.

The last category of SC, the trust among members of a group, will then in turn increase the ability to work together and grant access to opportunities and services, including information and education (Putnam, 2000). To understand SC, these trust generating formal and informal networks, an individual exists in, have to be identified and evaluated in terms of their influence on this creation of trust. The personal and context related value of these networks can then be described in the different ways they convey meaning to the individual.

This trust formally exists among people connected by a certain environment, situation or incident and relate to each other emotionally and/or professionally (Talmage et al., 2017). In this research, this network is made up of co-operative members and their households connected by the common union and crop production. The stronger these networks grow, which means the more trust people in the network have for each other, the more resilient is the network towards external shocks. One can say these networks create the basis upon which households and individuals are cooperating with each other.

Besides the organizational advantage of increased resilience, these networks looked at in this research also provide benefits to individual households. The main advantage of such a network on the household level is the increased sense of security and the, therefore, resulting ability to plan on a long-term basis. Another is the sharing of benefits among members of the same network. Similar to the economies of scale, where costs of production are being reduced when producing in bigger quantities, the administrative cost of sharing these benefits with a network is decreasing (Patacconi & Russo, 2015). This leads to further (perceived) improvement through networks.

The operationalization of this last category will be described in more detail in the following sub-chapter in the context of conceptualizing trust (see 3.1.3.).

3.1.3. Trust

Trust in wider literature is defined in many different ways, always coming back to uniting motives of an individual's increased willingness to take risks due to an internal conviction that the other members in their respective group also take their interests into account while making their decisions what prevents them from taking advantage of his or her position based on shared values (Luhmann, 2014; Mayer et al., 1995; Jensen-Auermann et al., 2018). Only if all members of a group collectively decide on relinquishing short-term individual benefits for long-term joint benefits and goals, this co-operation can be beneficial for each member. This understanding of trust, facilitating this mutually-beneficial cooperation, is then further classified by Hatak et al. (2016) in three distinct expressions: instrumental trust, maxim-based trust, and norm-based trust.

The first is the most technical understanding of trust. This form can occur in groups without any understanding for each other simply based on a neutral cost-benefit analysis of the involved individuals. In this analysis, trust is based on the knowledge that costs of opportunistic behaviour exceed benefits arising. Therefore, for this specific form of trust are formal organizational structures and established rules and regulations of specific importance. Since this form of trust solely relies on transaction-specific reciprocity, the authors themselves question its understanding as a form of trust and refer to it as "hierarchical coordination" (Hatak et al., 2016, p. 1227). This research will include this form of trust, because it allows for a closer investigation of mechanisms in formal safety nets, which allow for a complete understanding of SC generated through FT certification. In the context of this research, this hierarchical coordination will be treated as a distinct form of trust, because it creates a formal basis upon which further informal mechanisms of trust generation can take place.

The second form of trust, maxim-based trust, on the other hand, is based on the creation of interpersonal relationships. This form of trust explicitly increases over time since relationships are proving their benefit over time, making joint positive experiences and therefore putting even more value in this beneficial network than before. The decision to refrain from opportunistic behaviour in this context is made through the evaluation of a relation-based cost-benefit analysis relying on a broader understanding of reciprocity, also including socio-emotional support.

The third and last category is norm-based trust. This form of trust is mainly motivated by the blind understanding of each other's moral and value background based on a shared specific context at a specific time and in a specific place. In this case, intrinsic collective norms are preventing individuals to engage in opportunistic behaviour because they learned and adopted a shared set of values. This trust level is especially interesting and reoccurring in co-operative literature because these groups traditionally share an exhaustive set of shared values in religious beliefs, neighbourhood attachment, and class consciousness while also

sharing very similar day to day activities (Valentinov, 2004). This broad level of shared understanding can lead to a strong reduction of complexity in systems because much is simply understood as self-evident (Luhmann, 2014). The democratic organization of co-operatives can be seen as a further dimension of these shared values (Sabatini et al., 2014).

SC, expressed in benefits, challenges and structures in formal and informal safety nets, discussed in this research will therefore always be investigated in light of this definition and these three expressions of trust. The creation of trust, in line with these SC categories, will then allow an assessment of changes in member household well-being.

3.1.4. Well-being

General well-being as discussed in the SLF is a very broad term, that first needs to be further discussed and defined for this research.

Well-being has a long tradition in research even though it appeared in many different forms and definitions, comprising theories like 'Buen vivir' (among others: Gudynas, 2019; Salgado, 2010), 'capabilities and functionings' (Sen, 1993) and attempts to measure 'Caring capital' (O'Brien, 2013; Van Gelder, 2014). These very different definitions of well-being often fit into one of two bigger understandings of the term. One is the understanding of well-being in terms of social justice or moral philosophy (Nussbaum, 1999; Sen, 1993; Rawls, 1971). The second understanding measures well-being in more economic terms, standing for quality of life.

Well-being in this research is understood in terms of moral philosophy. One of the most influential works in this understanding is the capabilities approach by Amartya Sen (1993). In this approach, he describes a person's capabilities, one's ability to fulfil and chose for oneself meaningful and valuable functionings, as the central aspect of human development. Identifying these relevant 'functionings', e.g. well-being categories, is highly contextual and individual and can therefore not be understood as a ready list of items but has to be developed in close cooperation with the observed target group (Sen, 1993). An example for such categories can be found in the most popular application of Sen's concept applied in the Human Development Index, defining three core categories as: knowledge, a decent standard of living, implying economic variables, and a long and healthy life (Yang, 2018).

Well-being in the context of this research will be discussed not as individual well-being but as well-being perceived and generated by a group of people, in this case, a member household experiencing well-being through being part of a co-operative. This community-based well-being is an easy step, because, in line with the multi-dimensional SLF, it understands individuals embedded in a wider community (Nussbaum, 1999). Martha Nussbaum even went so far as to define cross-cultural, social functional capabilities defining well-being as life; bodily health; bodily integrity; senses, imagination and thought; emotions; practical reason; affiliation; other species; play; and control over one's environment (Nussbaum, 1999). The well-being perceived by this community is in literature often referred to as social well-being (Wilkinson & Pickett, 2009). This research adopts this understanding of well-being as social

well-being, including the well-functioning of a community individual members are living and working in. Well-being discussed in this work, therefore, includes the Livelihoods of member households in coffee co-operatives observed and suits the purpose of target variable evaluating the effect of SC on.

The community focus of this research and the collective understanding of well-being fits the case study in Uganda explicitly well because of the specifically community-focused society. The prevalent African philosophy, called Ubuntu, puts the community first and the individual second by saying “I am, because we are; and since we are, therefore I am” (Mbiti, 1969, p.108-109). By understanding this as a core philosophical concept in African societies, including the Ugandan society, also inquiries about well-being cannot be solely made on an individual basis, but have to understand the close personal environment. In this research, this close personal environment an individual small-holder farmer is living in is the household understood as a part of a co-operative.

Trust in this wider social context an individual is a part of therefore enables the joint generation of this shared well-being through a collective definition of aims and joint investment in reaching these aims.

Ubuntu

Ubuntu has its origins in African philosophy as a moral theory, defining the individual always as a small part of a bigger community. According to Naudé (2010), this goes as far as understanding the community as a “constitutive ontological part of [an individual’s] identity” (p. 113). This understanding also makes individual successes depending on the general well-being in the society an individual is a part of. The normative understanding of this concept and the strong focus on community create a communal understanding of justice rather than an individual understanding of justice and fairness (Letseka, 2014). This understanding of communal justice forges a bridge between Sen’s ideas on capabilities (see above) and his ideas on justice as fairness (Sen, 2008).

Ubuntu, therefore, could be seen as the bigger concept justifying the research of well-being on the household level, generated through the here discussed Fairtrade certification, the label promoting fairness in trade, and the importance to look beyond economic measures at the wider social effects on the community a concept is applied to.

3.2. Advantages and disadvantages of the SLF

The SLF has certain advantages but also draws certain disadvantages (Serrat, 2017). One can say, that by focussing on a person’s or a household’s microeconomic capital developments, this framework might underestimate broader, macroeconomic developments and their influence on the individual. Furthermore, it expects a certain generalization, when identifying the same group of capitals in very different groups of people and contexts. This generalization

can be questioned given individual interpretation of these capitals and the personal importance. When discussing the vulnerability context, this framework also does not explicitly look into power distribution among actors in the same context. These power imbalances have a big potential of influencing capitals or assets building capacity or the rate of capacity building an individual is capable of (Serrat, 2017). The last big disadvantage is the possibility of one group increasing their Livelihood, may very well influence another group's Livelihood, and the fact that this interrelation between different groups does not find its way into the framework.

A good example of the relevance of these impairments can be witnessed in Uganda. The whole country is divided among different historically grown tribes, with the most influential tribe called Baganda, in and around the capital. This tribe unites most political power, influential positions in policy-making and economy, and wealth in the country ("A grumpy kingdom", 2008). This means, by simply being born into this prioritized group, Livelihoods will tend to increase faster, with other tribes' increase in Livelihoods being slowed down to accommodate the other group's power. This research is being conducted in the Kasese region, one of the wealthier regions in the country and far off the centre of influence of this tribe around Kampala. This implies that this specific disadvantage will not influence the outcomes of this specific research very much.

However, this framework also has significant advantages. The first is the high flexibility and dynamic character of this framework. This is guaranteed by various feedback loops and interdependencies that allow for constant reassessment of the process. Another important point is, that even though macroeconomic processes seem to be underestimated, this framework emphasises the connections between micro and macro levels. This emphasis becomes visible in the constant exchange and influence among different levels of analysis. Beyond that, it also allows for a multidisciplinary and multisectoral view on Livelihoods. This means it does not only investigate economic aspects of a Livelihood but puts the economic influences in the context of many more influences, such as social, physical, etc. This last point also opens the door for less researched aspects of Livelihoods such as social interactions and their contribution.

The SLF has been chosen for this research because despite its disadvantages, that should not be underestimated, it allows a uniquely dynamic make-up. With this flexibility, it is possible to transfer this framework to the target group of this research which is not an individual, but rather the whole household with different members, different roles and functions in this household. It is also not oversimplifying subjective relationships and perceptions, such as the perceived increase in well-being or Livelihoods, with purely objective, one-dimensional measurements, such as income. This makes it a very culturally appropriate and community centred concept based on the African philosophical understanding of Ubuntu.

This makes working with the framework very time and context-sensitive, because it allows for multi-dimensional and dynamic Livelihood strategies, depending on the varying needs of a whole community concerning every aspect of life. On the other hand, this also allows for a

very holistic understanding of well-being generation in a multi-dimensional context of small-holder Livelihoods.

Additionally, due to this highly participatory approach and the flexibility of the SLF, this approach allows for more influence of research participants and decreasing influences of the researcher paying more attention to the participants' interpretations than his or her own. Therefore, instances of biases introduced by the researcher are reduced and research has the potential to be more action-oriented.

3.3. Maslow's hierarchy of needs

The analysis and categorization of needs and challenges in the co-operatives will be guided by Maslow's hierarchy of needs (1970), providing a conceptual tool to structure findings from participants.

Maslow's adapted hierarchy of needs has eight stages, including (bottom-up) biological and physical needs, safety needs, social needs, esteem needs, cognitive needs, aesthetic needs, self-actualization and transcendence needs (Maslow, 1970). For this research needs in the co-operative were investigated as perceived challenges and problems that occur in co-operatives and can be understood as joint aims. The challenges described in the co-operatives will only consider the first five levels. The logic underlying Maslow's hierarchy can, in this case, be easily transferred to the circumstances observed in the co-operatives. The basic idea is, that before developing needs on a higher level up the hierarchy, lower needs need to be addressed (McLeod, 2018). We will not continue with a full analysis of the co-operatives' challenges according to Maslow but will take his hierarchical structure of needs as a useful way to structure our findings.

3.4. Operationalization

3.4.1. Application to FT context

In the centre of this approach are the five assets whose composition are constantly changing due to external and internal influences, such as transforming structures and processes. FT certification in the SLF can be seen as such a transforming structure that is influencing the households' Livelihoods through the co-operatives, they are part of (see Figure 2).

The concept of SC is well applicable to FT certified cooperatives. FT certification on the cooperative level are always joint decisions for the whole cooperative with effects for each member household. This identifies FT certification as a collective action, implying repeated social interaction between members. These interactions will be described in this research as formal and informal safety nets, and resulting trust creation in these networks. This collective action is essential to coordinate and manage the adherence to rules and joint investments on the individual household's level.

The connection between SC and FT can be seen as twofold. The first connection is the direct effect FT can have on the well-being of a household. In this case, FT is understood as a

transforming structure in the SLF chosen by households as a Livelihood strategy. FT is therefore directly, through for example paying the FT premium, introducing a regulatory framework or training, increasing the well-being of a cooperative and therefore the household.

The second influence FT can have on well-being is indirect. In this case, FT can work through influencing the assets of a household or decrease the effect of shocks and seasonality on a household. Assets are affected in different ways. Financial capital increases with the introduction of the FT price and the FT premium. Even though the size of this effect is disputed, the existence is proven (Dragusanu et al., 2014). Besides this, physical capital is affected through the non-financial outputs of the FT premium and natural capital can be increased indirectly through increased financial capital. Human capital, on the other hand, is supported by this. Those capitals will then be used to increase or achieve a household's well-being (see Figure 4).

Even though FT is targeting the cooperative level, this research will contribute to evaluating SC on the household level. The household is chosen as the level of observation, because of better methodological feasibility, and better control over the observed changes on this smaller level of observation. Moreover, even though FT is adopted and monitored on cooperative level, it is only considered successful if it adds to the individual household's Livelihood (Ruben, 2008). The sustainable Livelihoods approach, including SC, describes this effect of FT certification as transforming structure on Livelihood outcomes, here well-being on the household level.

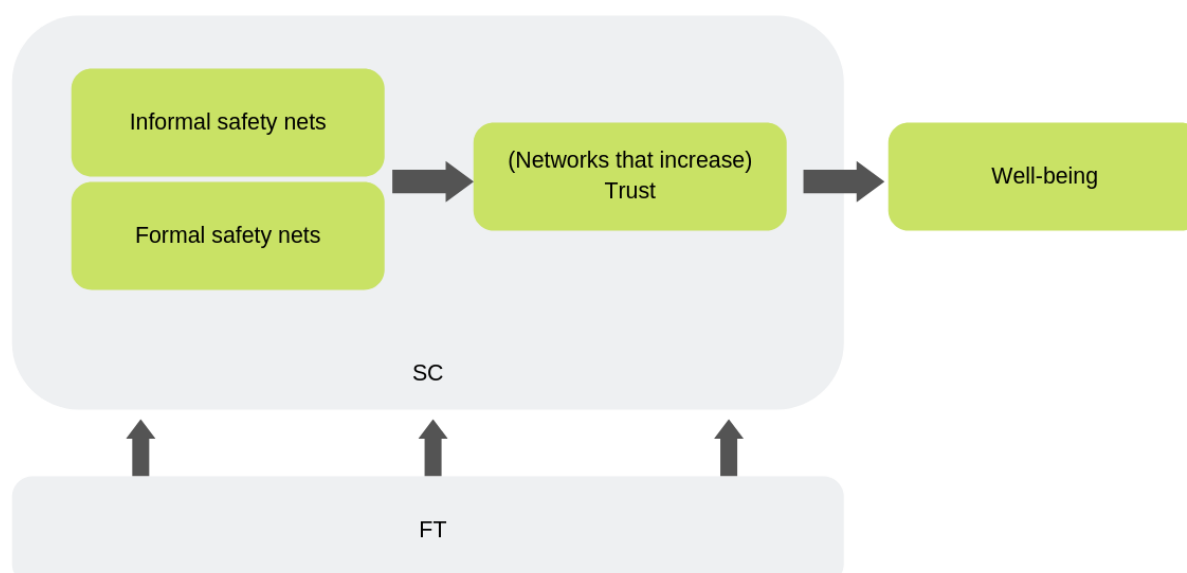


Figure 4: The generation of well-being and the influence of FT certification
Source: Author

3.4.2. Causal relationships

The hypothesis tested in this research is that formal and informal safety nets, supported by FT policies, enable the creation of trust among member households, i.e. the creation of SC, in order to increase a member household's perceived well-being.

The measurement of social improvements should not be understood as an independent term, but rather as embedded in a broader context and interdependent with many other aspects affecting a household. These social improvements understood in the broader context of the SLF will be further on defined as social capital (SC), as one in five different "capitals" building the base resources for household Livelihood well-being. The effects of SC will be assessed in its impact on household well-being. Household well-being is the individual experience of a household living a good and decent life. We assess household well-being in a later part of this work. The SLF, as a holistic approach, and the target variable household well-being enable the transformation of the rather vague term 'social improvement' to the measurable size SC.

For this research, these three categories are looked at and build the guiding framework for data gathering in the selected co-operatives. Data gathered for these categories is then separated in a more formal and informal context, with a resulting analysis of how both, formal and informal context, can lead to an increased generation of trust in the observed group.

3.4.2.1. *Formal safety nets*

This dimension of SC is operationalized by inquiring specifically on member households' perceptions of these internal and external rules and regulations. These perceptions are then further grouped into perceived benefits and challenges, allowing for an assessment of the general perceived influence of this dimension of SC. The impact of this SC category will then be assessed in light of by participants perceived influence of this formal safety net on their well-being.

3.4.2.2. *Informal safety nets*

This category of SC is investigated according to participant's definition of for them important parties and their functions in the observed unit of analysis, here the influence of these groups on the member households in the selected co-operatives. The impact of this SC category will then again be assessed in light of by participants perceived influence of this informal safety net on their well-being.

3.4.2.3. *Trust*

All three forms of trust will be investigated in close connection with the prior identified sub-categories of SC, formal and informal safety nets. After the identification of formal and informal safety net specific benefits, challenges, and structures, these will be analysed according to their impact on instrumental trust, maxim-based trust, and norm-based trust. This influence on the creation of these forms of trust is investigated in the third category of SC. Markers for instrumental trust will be reliance on organizational structures in the co-operative and union and expressed trust in authorities. Maxim-based trust will be identified

mainly to the presence of informal relationships among member households and their functions for individual member households. As indicators for norm-based trust will be considered perceptions on changing intrinsic motivation and moral understandings in co-operatives and among member households.

3.4.2.4. Well-being

Based on well-being categories defined by Sen (1990) and Nussbaum (1999), context-specific dimensions were established in close co-operation with participants. These, locally established categories were then taken to assess the influence of trust creation in formal and informal safety nets in the co-operatives. Changes in established well-being categories are further considered changes in member households' well-being and serve as the target variable of this research.

3.4.2.5. Effect of FT on these causal relationships

FT certification is understood in this research as structure and process variable. This means it engages directly with the generation and composition of household assets, e.g. directly influencing the generation of SC. This changed SC then, in turn, influences changes in household well-being through formal and informal safety nets and trust generation in these safety nets (see 3.4.1.).

In the following, chosen methods and discussed findings in this research need to be understood in this operationalized framework of the SLF, SC, trust, and well-being.

4. Methodology

The research questions and the operationalization above bear certain implications for the design of this research. The following chapter will, therefore, have a close look at the methodological approach of this research (4.1.) and explain the selection of the target audience (4.2.). Following the description of this research design and target group, four methods will be introduced that have been chosen for the data collection in this research (4.3.).

4.1. Research design

This research has been designed as a mix of a Grounded Theory approach and a case study of nine co-operatives as described by Creswell (2014). Those two approaches were chosen to allow the research to follow participants' subjective experiences and perceptions in the context of a specific process or program. In this case the introduction of FT certification and the generation of SC in the selected co-operatives.

The first important measure was to determine the effect of SC on the target variable well-being. In line with the Grounded Theory approach, that allows for flexible adaptation of researched categories according to and in cooperation with participants experiences (Creswell, 2014), and in order to measure up to SLF's standards as a participatory framework acknowledging the importance of subjective experiences and perceptions, these categories were defined in two rounds. The first round consisted of broad definitions of these well-being categories derived from literature on well-being. Subsequently, these categories were further refined and adapted in interaction with participants in Identity-circles (ID-circles), FGDs and interviews.

The second important measure was to gather information about the three identified sub-categories of SC identified by Adato and Meinzen-Dick (2002). Information on these three categories, formal and informal safety nets and networks that create trust, were selected in three unions (see 4.2.1.), gathered in nine visited co-operatives as case studies (see 4.2.2.). This case study approach aims to derive an in-depth understanding of a specific case, here the generation and perception of SC in selected co-operatives, collecting detailed information over a limited period of time (Creswell, 2014). The data collection period added up to one week per union to guarantee an in-depth understanding and insight into the three selected unions and nine selected co-operatives. This insight was supplemented by a prior engagement² in these three unions for another related research with another month spent in the unions collecting basic data on the organizational structure also used for this research. In

² Information and data gathered for a research project in the same unions selected for this research project during July and August 2018 have been used to supplement information gathered by the researcher for this research project. All information has been gathered by the researcher personally and transcribed materials can be made available upon request. The used information was only used to inform the organizational set-up of unions and co-operatives and not for the analysis. Findings of this first research carried out by Stefanie Geurts, Anouk Roeling, Lidewij Rouhof, and Bernice Mueller, on gender policies in FT coffee co-operatives in co-operation with Oxfam Wereldwinkels, can be provided by the author.

each union, three co-operatives were selected to enhance the width of data collection and provide cross-section insights.

Both, the Grounded Theory approach and the nine small case studies provide a reliable combination of participatory engagement of the target group of this research and in-depth information on the researched general mechanisms of SC in member households in FT certified coffee co-operatives in Western Uganda.

4.2. Data collection

The data collection was conducted over four weeks in nine different co-operatives in three different unions. The following sections will give an overview of the selected unions (4.2.1.) and the selected co-operatives (4.2.2.) and will justify this choice. Finally, the choice of households as the target group of this research will be explained (2.3.).

4.2.1. Unions

The three unions chosen in this region are [ACPCU](#), [BJCU](#), and [BOCU](#). BJC and BOC produce both Robusta coffee, whereas ACPCU produces mainly Arabica coffee. This is explained by their location, with the first two in the mountains on higher altitudes, and ACPCU located in the lower lands and slopes of the Rwenzori Mountains. Both Robusta unions are in size relatively equal. Founded and officially registered as a coffee co-operative union in 2006 (ACPCU), 2005 (BJCU), and 2009 (BOCU), all three unions look back on a similar period of experience and working together. Beyond this, the selection of three unions allows for comparison of general mechanisms behind the generation of SC through FT certification and therefore increases the reliability of our data.

The introduction to these three unions was made prior to this research for an investigation on gender policies in FT certified co-operatives in Western Uganda through Oxfam Wereldwinkels, who has a history of collaboration with BJC. The shared target group requirements, e.g. the identification as FT certified small-holder co-operatives, and the familiarity of the author with the three selected unions further justified the choice of these three unions.

4.2.2. Co-operatives

Co-operatives were chosen as an organizational point of entry for this research. Even though two of the three unions had even smaller organizational units of analysis, called MWSs, this choice is justified because it ensures the comparability of findings in all three unions³. Co-operatives in all three unions have the same level of dependency on the union and similar levels of dependency to their member households. This makes the formal influence of co-

³ See Appendix 3 for an organigram of the three selected unions.

operatives on their member households and on their informal safety nets, their networks that increase trust and their opportunities through formal membership comparable.

A second reason for this decision lies in the FT certification process. When being certified, it is neither the union nor the MWSs that are subjects to inspections and certification, but the co-operatives.

The comparability of the co-operative level and the close connection to the FT certification process are the main motivation to choose co-operatives as an entry point for this research.

In each union, three co-operatives⁴ were chosen. The selection was made to provide a good average of the union in terms of time since joining the union, men/women ratio, number of members and location. The selected co-operatives are: Kabura Co-operative (ACPCU), Kyeibanga Co-operative (ACPCU), Nyebingo Co-operative (ACPCU), Kanyatsi Co-operative (BJCU), Mughete Co-operative (BJCU), Karughabira Co-operative (BJCU), Kinone Co-operative (BOCU), Kyondo Co-operative (BOCU), and Rwenzori Farmers Marketing Co-operative (BOCU).

These co-operatives further pose a good sample, because the majority of these co-operatives was FT certified within four years of each other. This means most of the selected co-operatives have a similar period of experiences they can report of and look back to.

In each of these co-operatives data was collected on one day with five to thirteen participants. The full program included an ID-circle, a FGD and two short, unstructured interviews with one participant each⁵.



Picture 3: Rwenzori Farmers Marketing Co-operative
Source: Author

⁴ In interviews and FGDs sometimes referred to as primary societies.

⁵ See a full schematic overview including the number of participants, length of interviews and FGDs in Appendix 4 as an introduction to the transcriptions.

4.2.3. Households

The questions in the discussion and the interviews finally focused on the members' household level. This choice was mainly motivated by two arguments.

The first motivation is found in the social and cultural structure of Ugandan society. Following the reasoning of Hofstede (2001), cultures can be ranging from individualistic or collectivistic. Uganda is found to be a more collectivistic society. This means, that decisions are rather made in a group, to benefit the group, than from an individualistic standpoint.

Traditionally these groups people identify with are the nuclear family, or the household one is living in. In a traditional understanding, the man is the head of the household making decisions and being responsible for the income. Women are concerned with the household, tending the farm and the care for children and the elderly. Children are in this context preparing for their future roles. Especially in rural areas, this traditional understanding of a family and the roles of an individual is still very central. Decisions as in our case relating to the coffee farms or the participation in co-operatives therefore also highly depends on collective decisions made in the respective household and affects the whole household.

Also partly based on this traditional understanding of a family is the historically grown understanding of agriculture as a family business. Originally, this is based on the self-sufficiency expectation on a farm. In this context, every family member had his or her task and expertise to share responsibilities and increase efficiency. That means profits and losses are also shared in the household. In the context of a co-operative and FT certification, certification and membership possible risks and benefits are also shared by the whole household.

Since the household and the individual cannot be easily separated in this context due to above-mentioned reasons, findings will be related to the whole household rather than the individual.

Representatives of individual member households participating in ID-circles, FGDs and interviews are selected by one contact person in the unions. This contact person is part of the staff and received a briefing of the purpose and aim of this research before making the sample selection. The selection further depended on an as far as possible representative selection of gender and age for the whole co-operative, a preference for non-staff members and availability of participants. The final sample selection consisted of under-represented women, a small number of young members and an over-representation of staff members, who demonstrated a higher willingness to participate and were easier to contact.

These member household representatives were then all or partly subject to ID-circles, FGDs, and interviews.

4.3. Methods

To guarantee the collection of reliable data, a mix of group and individual exercises was chosen. All methods were selected to fit the target group. This selection was mainly influenced by high reported illiteracy rates in the co-operatives and the specific living realities of member households. This led to an absence of written text and dependence on pictures and oral descriptions as well as the choice of specific context, and therefore relatable, examples. Methods were chosen to relate to participants' intuitive knowledge and experiences later related to FT certification and SC creation by the author.

Data, satisfying the Grounded Theory and the Case Study approach, was collected with four methods. The general process in each co-operative was as follows: First, to identify well-being categories, in line with the Grounded Theory approach, the method of ID-circles was designed and drawn up together with participants (4.3.1.). Then, information on the SC sub-categories was collected with one FGD per co-operative (4.3.2.) and two unstructured in-depth follow-up interviews (4.3.3.) aligning with the Case Study approach. Additional observations (4.3.4.) were then used to supplement and verify findings.

4.3.1. Identity circles

ID-circles were designed to gather biographical data, build rapport and identify the well-being categories used in this work.

This method was applied before the FGD and interviews and had to be worked on individually. The ID-circles had to be filled by participants like a pie chart, whereby the individual pieces of pie represented aspects of a participant's answer to the question "What is most important to you?". The instructor gave a brief example to introduce herself and to give an example of what was asked. After this instruction participants were free to design their pie chart by themselves for ten to 15 minutes⁶.

The first purpose of this method was to gather biographical data to assess findings and answers in context. The biographical data contained information about social networks as well as a personal prioritization of aspects of a participant's life. Data received in the ID-circles had influence on the analysis, the weighting of findings and the selection of participants and topics in follow-up interviews after the FGD.

The second purpose of the ID-circles was to build rapport. Since all data for one co-operative was selected in only one day, rapport building was not something that could grow over time but had to be integrated as an active point in the program. Through the presentation of ID-circles by researcher and participants alike, personal and research related information was shared in a semi-formal frame, before entering the FGD. This sharing created an atmosphere of trust and aimed at an integration of the researcher into the group.

⁶ Two anonymized ID-circle examples can be found in Appendix 2.

Finally, ID-circles were used to derive well-being categories in co-operation with participants. For this purpose, a list of all for participants important subjects were collected. The full list of answers given to the question “What is most important to you?” was then categorized and compared to the categories proposed by Sen (1990) and Nussbaum (1999) and the by FT promoted benefits for small-holder producers (see picture 1 and 2). This categorization resulted in four recurring topics. These recurring topics will be considered in the following analysis as the context-specific well-being categories: financial security, good governance, securing basic resources, and community. These were derived in co-operation with member households in the nine selected co-operatives and therefore the participatory expectation of the SLF.

4.3.2. Focus Group Discussions

Data for the body of this research was mainly derived from a FGD in each co-operative focussed on the sub-categories of SC. The structure of the FGDs followed the categorization of SC as introduced by Adato and Meinzen-Dick (2002): formal and informal security nets, and resulting trust.

In total, there were nine FGDs conducted, one per co-operative, with five to thirteen participants. These participants were selected to represent a good cross-section of the target population in terms of gender, position in the co-operative and age. These FGDs took about 45 minutes to one hour and were with one exception framed by the ID-circles before and two unstructured interviews afterwards. In one case, time constraints lead to only one interview afterward.

To fit the questions asked in the FGD to the selected SLF, the FGDs were split into three equal parts according to the sub-categories of SC. The first part focused on formal safety nets and asked participants for their opinion on the benefits and opportunities gained through joining a co-operative. This assessment was supplemented by the question if participants trusted the co-operatives to split these benefits equally among all members, targeting information gathering specifically on the generation of trust through this formal safety net. Following this assessment, participants are asked to compare this to the situation before FT certification. Participants were therefore asked to reflect on the influence FT certification had on these benefits and the distribution of these benefits.

The second part concerned informal safety nets and asked for information about family and friends. This was followed by questions about how participants cope with challenges in their social network and what functions these groups carry out for the individual member households and the co-operatives. This was supplemented again by information gathered on the level and manner of trust in and among groups. Participants then were asked again to compare these assessments with the situation before FT certification. This was done to assess the direct perceived influence FT certification played on groups not necessarily limited to the co-operatives. This question therefore also provided information on possible spill-over effects to the wider community.

The final part of the FGD circled around trust generation. This last part asked for participants' feeling of security in this formal safety net and if all members felt equally secure. This question inquired upon the underlying evaluation of relationships in the co-operative among member households and the representation of member households by the co-operative towards external partners. After these questions, participants were asked one final time to compare these assessments with before FT certification, to inquire about the influence of FT certification on this feeling of security.

This method of data gathering is chosen for two reasons. The first reason is methodological, to increase the reliability of the gathered data. In the format of a FGD, not only one individual is asked for definitions or explanations, but their social context groups are present as well. This presence provides a direct feedback mechanism. The second reason is of practical nature. To gather a group of research participants makes data gathering more time-efficient and makes the rapport building process easier because the participants are acting within their peer group.

All nine conducted FGDs were recorded and afterward transcribed and coded with the help of the coding program MAXQDA⁷. With the help of this program categories and sub-categories were defined to turn the findings into a narrative. Findings of all three question segments were combined for this purpose and used to inform each other.

4.3.3. Unstructured interviews

Finally, two unstructured interviews followed each FGD. The purpose of these interviews was to inform the research in-depth on different specific topics that arose from the ID-circles and partly from the FGDs.

These interviews were held short, to supplement the research in 15 to 30 minutes on specific topics. These topics were selected due to their sensitivity, such as gender and the role of women in FT co-operatives, or due to the specific knowledge of one individual, for example about the certification process in the co-operatives. Participants were selected due to their specific knowledge on a topic that needed more in-depth discussion, or based on their, for the researcher, interesting biography. The selection was made spontaneously at the end of the FGDs and was overall seeking to portray a good sample of society in the different co-operatives. This means that besides participant's knowledge on certain topics, their age, gender, and seniority in the co-operative played a role. Two unstructured interviews were conducted per co-operative, with one exception where we ran out of time to finish the whole process of ID-circle, FGD, and interviews. That means a total of 16 interviews were conducted.

Due to the one-on-one character of these interviews, more sensitive or private information could be shared without the threat of social stigmatization or judgement. Along with the case

⁷ The coded document can be provided upon request. The uncoded transcriptions can be found in Appendix 4.

study approach, these interviews allowed for a more in-depth understanding of processes in the co-operatives surrounding FT certification and the creation of SC.

Data security

As sensitive data in this context counts private information concerning family matters, and topics that could lead to social stigmatization or work-related disadvantages for the individual member households, such as missing trust in fellow workers or the co-operative. To guarantee a safe environment during the data gathering period, consent forms were signed, and participants made aware of their rights, including their right to withdraw their input from the research or their anonymity in the collected data and further processing of the data. For this reason, all transcriptions and quotes throughout this text are anonymized.

4.3.4. Observations

Observations were collected and noted permanently to increase the reliability and provide context to the gathered information.

These observations were mainly made directly before, during and after the group activities in the co-operatives. As group activities count introduction of the researcher, ID-circles, FGD and interviews conducted at the co-operatives. In all three unions, the researcher also received a short introduction and tour through the main office premises. Observations made during this introduction, during personal conversation outside the research setting in the unions and in the research settings. The focus of these observations was always on inter-personal relationships and non-verbal engagement among member households, as well as observations on the researcher herself in terms of mood, energy level or attitude going into these group activities.

This information was mainly used to assess the researcher's influence on the field, the research, participants and therefore the gathered data. Observations were therefore mainly used to identify limitations of this research and to provide information on processes outside the researched topics.

The following analysis will be therefore based on a mixed approach of Grounded Theory and Case Studies, and gathered data through ID-circles, FGDs and unstructured in-depth interviews in nine comparable co-operatives with a representative sample of member households. This gathered information will be used in the following to derive general mechanisms in the generation of SC in coffee co-operatives in Western Uganda through FT certification and resulting perceived effects on member household's well-being.

5. Analysis

This chapter presents and analyses the collected data of the field research organized in the three sub-categories of SC: membership in organizations (5.1.) or formal safety nets (5.2.), informal safety nets (5.3.), and resulting networks that create trust (5.4.). In the first category, memberships in organizations, the per member households perceived benefits (5.1.1.) and challenges (5.1.3.) are being discussed, leading to the analysis of the influence of formal safety nets on trust-building. In the second part, discussing informal safety nets, this analysis will give an overview of relevant parties (5.3.1.) and their perceived functions for the member households and the co-operatives (5.3.2.). With these two categories defined, the influence of these formal safety nets (5.4.1.) and informal safety nets (5.4.2.) on trust creation is being analysed in turn, with a subsequent conclusion on general trust generation in networks (5.4.3.).

This is followed by an investigation of the impact of these three SC categories on a member households well-being (5.5.). To operationalize this impact, four well-being categories are being introduced and their significance for member households explained (5.5.1.), in order to do this, the impacts and challenges for each SC category are looked at in turn, followed by a short conclusion for each well-being category. This is followed by a discussion of general findings for these well-being categories (5.5.2.) (see Figure 5).

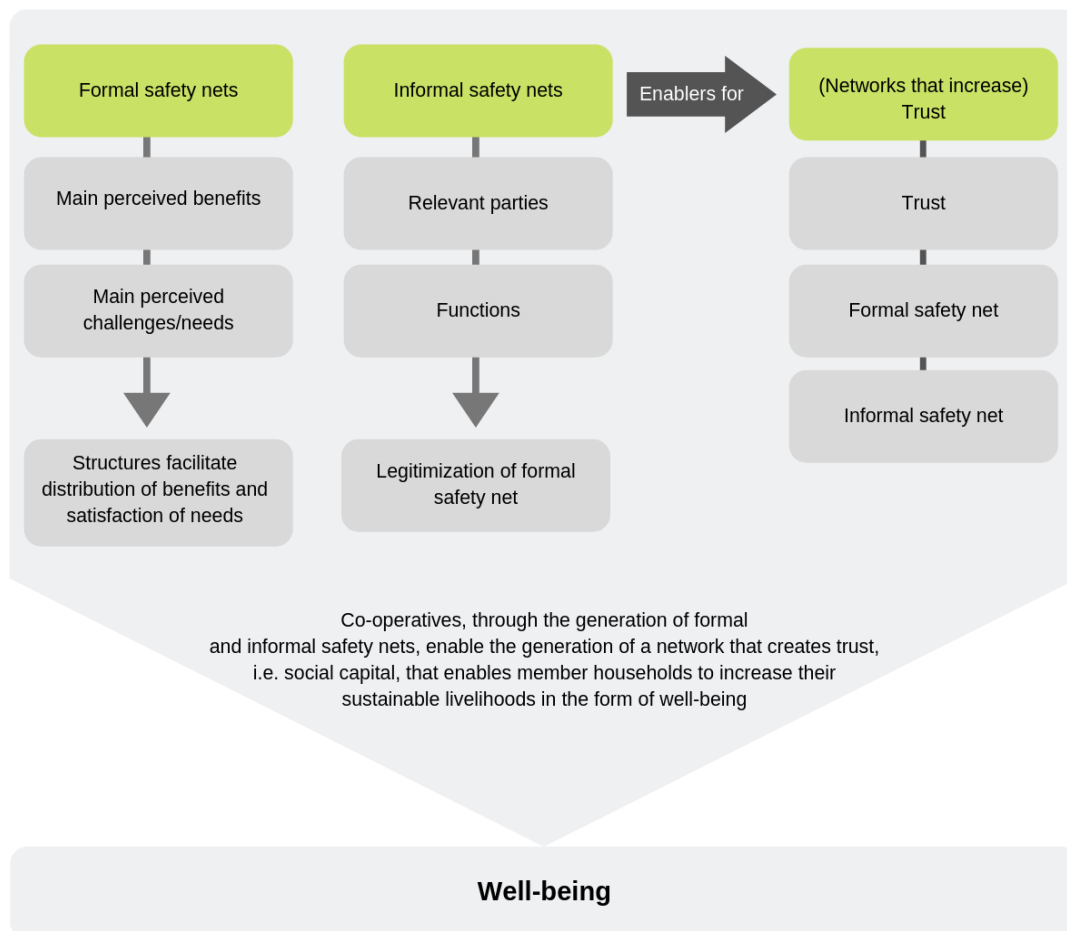


Figure 5: Overview analysis

Source: Author

5.1. Membership in organizations

First, we will address a household's membership in a coffee co-operative and perceived benefits of this membership, as well as perceived challenges. This analysis will then lead us to the understanding of a household's membership as formal safety net.

5.1.1. Perceived benefits

Benefits delivered through the membership in co-operative are perceived very similarly across member households in the nine selected co-operatives. Recurring themes are organizational structures, training, gender policies and awareness, saving and loan groups, a better market position of individual member households and their co-operative, certification benefits, improved market access and overall higher prices. In the following, the perceptions and the meaning of these benefits for member households will be introduced to better understand their influence on the generation of SC in the context of formal and informal safety nets.

5.1.1.1. *Organizational structure*

The foundation of perceived benefits lies in the organizational structure of a co-operative. Standardized procedures and pathways improve transparency and accountability in the cooperation among member households. The most dominant examples are the organization of member meetings and standardized voting mechanisms for staff members. These standardized procedures simplify and facilitate day to day activities and external communication, because it names clear responsibilities and tasks, offers clear contacts in search for help and reduces unclarity and insecurity in proceedings. Most of this organizational structure applies for both union and co-operative level and cannot be necessarily separated. Members with formal positions have the separation of organizational structures between union and co-operative level clearer than member households without formal tasks who then usually rely on better-informed staff. The level of information and required knowledge therefore heavily depends on a member's position in the organizational hierarchy. At the same time, this means not all members always have to be informed about all proceedings which reduces the burden on individual member households and allows for more informed decision making in co-operatives and unions.

5.1.1.2. *Trainings*

This specific knowledge relevant for specific members is delivered via trainings. These trainings happen on all organizational levels and vary widely in their purpose but are mainly understood as trainings given to members of the co-operatives organized by the union.

In the case of agricultural trainings, the union regularly sends field officers to co-operatives, and where applicable MWSs, to provide more frequent learning opportunities and a possibility for members to voice specific needs. Most important for members are trainings improving productivity or quality of the coffee. If these trainings are not conducted by field officers sent from the unions, they are conducted by partner organizations or third-party certifiers

introducing specific knowledge on e.g. organic fertilizers, pest control or help in preparing the fields. The problem with those trainings, however, is, that they are not organized frequently and do not reach the majority of member households directly. In most reported cases these trainings are used to train the field officers or representatives from different co-operatives whose task it then is to carry the information back into their co-operatives and member households.

Beyond agricultural trainings, financial and gender trainings are frequently mentioned. Financial trainings were mostly given to women in associated loan and saving groups or to the staff concerned with book-keeping and the financial accountability of co-operatives. These trainings are usually organized by FT organizations and in this case the regional FT Africa office. These trainings are however very time and cost-intensive and cannot address all members at the same time, what means in order to be effective, a lot of trainings would need to be organized, which is not feasible looking at connected costs. Field Officers and board members receiving trainings are reporting, that these irregular and few trainings do not suffice to become trainers themselves. This means that the co-operatives either work with very limited understandings of e.g. financial trainings or they have to buy in trainings from other private sources which means a high financial burden and therefore limits the scope and frequency of trainings received by individual member households.

Whereas agricultural training was perceived as essential by individual members, the financial trainings were explicitly mentioned in connection with an increase in accountability and transparency and therefore increased trust in the administrative leadership and organization in co-operatives and union. Whereas financial trainings of co-operative personnel and agricultural trainings were frequently mentioned by both men and women, gender trainings and financial trainings in saving and loan associations were predominantly mentioned by women. This results from the fact that women were describing the effect of these trainings as more beneficial for them than men.

5.1.1.3. Gender

To understand this differing perception of saving and loan associations among men and women, perceptions of gender have to be addressed. In a previous study regarding gender policies in all three observed co-operatives, a still prevalent pattern of gender inequality regarding financial dependencies, illiteracy and information asymmetries could be identified. To overcome these differences among sexes, special programs have been installed specifically targeting women as one of the most vulnerable groups in co-operatives. Two of these measures are saving and loan groups, and gender training. Since they are specifically targeting women, it is not surprising that specifically women understand these trainings as beneficial. Beyond this discussion on gender, one should not forget however, that women are not the only disadvantaged group identified in the co-operatives at hand. Besides women, also young members and relatively old members both have a disadvantage due to missing experience and reputation in the community, or dwindling energy and workforce respectively.

5.1.1.4. *Saving and loan groups*

Saving and loan groups are in most unions initially created to support especially women, to guarantee the financial flows in a co-operative in and off-season, and to ensure better loan conditions for member households. These groups are especially central to the organizational make-up of BJCU. This union is an exception among the unions visited because they started out as a saving and loan group for women and then gradually grew and developed to be a farmer union. This leads to a more central focus on female members and a slightly different organizational structure e.g. a system of alternating sexes in their staff positions. The task of saving and loan groups is three-fold.

First, they offer opportunities for joint saving. Being a member of such a saving group, predominantly women, means to attend monthly meetings to receive training, create an opportunity for joint decision-making and deliver savings. Attendance to these meetings is obligatory and recorded in so-called saving books, and non-attendance is punished with fines. This very strict organizational framework is meant to increase transparency and accountability and therefore leads to higher trust among members and some sort of social control system. The reliance on co-members is crucial because paid savings are then in most cases used to offer loans to group members. This means that defaulting payments affect the whole group.

The second advantage of these saving and loan groups are the very low interest rates on loans. Borrowing money in those groups is often ten times cheaper than with conventional financial institutions. This is possible due to increased trust among loaners and lenders made possible by a more personal relationship and the social control system explained above. Financial support for these groups comes usually from the union and developmental organizations who provide start capital. For example, in the case of saving and loan associations at ACPCU is this financial support mainly coming from Oxfam Intermon.

The third and last big advantage of these groups is that they offer an opportunity for trainings and exchange. Women, and in some cases men, are coming together once a month to save and borrow money, what not only offers a possibility for financial trainings, but also to build social support networks in this group.

Since most participants are female, these groups also offer opportunities for gender trainings. Not only, but also organized in this context, gender trainings are conducted to improve the cooperation in a family including men, women, and children. As one interviewee put it: “[...] that one [FT certification] has created togetherness in the family” (Interview 8). Since it is women who carry the main burden of non-remunerated work, such as childcare and cooking, women value these trainings about shared responsibilities and tasks most. Independent of their sex, all participants agree however on the importance of a “working together with the family” (FGD 4). In the agricultural sector, in which a big amount of the workforce is made up of family, cooperation in the household is essential.

5.1.1.5. Bargaining power and better market position

This cooperation is however not only in the family highly valued by participants. On a co-operative and union level negotiations are an important and essential part of everyday business. These negotiations entail price setting and the creation of new business co-operations. In the sense of economies of scale, the co-operation among farmers on the co-operative and union level increases their bargaining power, in most cases understood as increased decision-making abilities in and for the group. Whereas one farmer in most cases does not know enough about the international market, business contacts and related prices, a bigger group of farmers, i.e. a union or co-operative, can employ staff who has the necessary time and resources to engage with external partners with bulked produce what makes him or her more attractive for potential business partners. This increased bargaining power is indeed among the most prevalently perceived benefits in a co-operative because they are the best communicated and most directly perceived benefits of membership. This bulking of produce is supplemented by the eased access to bigger numbers of farmers with less effort. This could also be understood as a specific type of bargaining power when it comes to seeking support for capacity building and financial support from external sources.

5.1.1.6. Certification

But not only in price negotiations are informed staff members becoming more and more important. Most individual farmer households do perceive the complexity and badly paid nature of international commodity trade first-hand. To simplify and improve their position in these trading relationships, different certification schemes are being adopted by independent farmer households or unions, depending on the certification procedure of the individual schemes. Different certification schemes are found in the three unions visited, but the most prominent were organic and FT certification. As already described above, these two third-party certifiers are not always differentiated by farmer households but can be entangled by looking at the main benefits mentioned in connection to certification in general. In the case of FT certification, the three main benefits mentioned are the introduction of a minimum price, the payment of premiums and the facilitated market access i.e. financial contribution and facilitation.

The FT minimum price becomes important in the harvesting seasons when produce is being delivered to the co-operatives. The current commodity price and FT minimum price are displayed outside the weighing location at all times, to secure transparency between co-operative and individual member households. However, whereas the minimum price is only mentioned sporadically, the premium payments and their use are often found in the centre of attention. Among these different purposes, the quality improvement is affecting farmer households on the most individual level because in this context premiums are often used to supply their members with tools and facilities of production, including hoes and storage facilities. Especially, since knowledge about additional payments or additional FT benefits is not common these are even more positively perceived. A woman in FGD 7 put it like that: “[I am] now getting instant payment for [my] coffee when [I] deliver[] it here, and then [I] was

surprised when the first time they told [me], when [I] get[] the other money.” After this more individual influence on member households, the social development category is considered most important for the wider community. In this category, hospitals, schools, and streets are being constructed to benefit the wider public, including member and non-member households. In a more religious society, be it Muslim, Christian or Evangelical, this aspect fits into regional beliefs of compassion and into the understanding of Ubuntu and the importance of community. On a more practical level, this also improves quality of life for individual household members, who do not have to send their children to very distant schools or transport their produce over ungraded, narrow and dangerous paths to the next collection point.

5.1.1.7. Market access

The very direct impact of FT premiums and additional payments on member households is supplemented by a strongly perceived improvement of market access. Market access is not only perceived as a result of certification, but also as a direct effect of the joint distribution of their produce in unions. The organizational capacity of unions allows them to supply bigger business partners with more produce and therefore engage in more stable trading relationships with different partners supplying different markets. These different markets serve, comparable to diversification in crop production in agriculture, as an insurance system in case of default of one option. This diversification of markets is then supplemented by certification markets, such as the market for FT products. With the increased demand in Europe and North America, this market gains more importance due to its increasing volume besides its better prices. The additional advantage of the FT market is the, for the coffee sector, unusual pre-finance before the season starts. This pre-finance serves as additional insurance against defaulting contracts, increases trust in trading relationships, therefore fosters long-term trading relationships, and distributes farm income more evenly across the year, independent of harvesting seasons.

5.1.1.8. Higher prices

From these two points, namely certification, through establishing a minimum price, premiums, and increased market access, and an increased bargaining power, follows the very essential perceived benefit of membership in co-operatives and unions of achieving higher prices for their produce. This benefit targets the most immediate need of member households identified as financial security. By offering more financial security to their member households, co-operatives and unions create a secure frame and a community. With this formal framework around joining these co-operatives, member households describe a form of identification and belonging with the co-operative. This is expressed for example by exclamations of pride for being part of the co-operative or by mentioning that being a member in the co-operative means working with friends. The formal framework of these memberships incentivises individual households to cooperate, and therefore builds in many reported cases the basis for friendships among members. These work friendships are further deepened by jointly experienced successes relating to higher prices, higher demand for their produce and

access to the world market. This point will be further elaborated in the context of networks that increase trust.

5.1.2. Analysis of perceived benefits

Analysing the perceived benefits in all three unions, and across all nine co-operatives, a certain trend can be detected. The importance of benefits, defined through the frequency of appearance in discussion with participants, indicates a hierarchy among benefits based on complexity and delay of gratification. Most prominent were benefits with immediate gratification and very direct and clear effects on individual farmer households. Less frequently mentioned were benefits delaying gratification to a distant point in time, such as the end of a season, or more complex and indirect effects on individual member households, such as infrastructure or sanitation.

This implies a present-bias preference that can be directly connected to the precarious situation most farmers still live in. With 25% of the overall rural population in Uganda living under the poverty line, i.e. having less than 1.90\$ per day at their disposal, the agricultural sector, including coffee production, often remains with insufficient financial insurances and savings (Uganda Bureau of Statistics, 2019; Cruz et al., 2015). This, in connection with a low flexibility of agriculture to adapt to changes in commodity prices and trends in international demand, due to a delay in production depending on delayed harvesting and dependencies on external factors such as soil and climate, results in highly vulnerable circumstances for farmers. Dropping prices and defaulting contracts can, therefore, result in severe and often life-threatening challenges in the agricultural sector. Living in high insecurity when it comes to the next payment and missing financial back-ups describe the high preference for direct gratification in comparison to more long-term gratification. Following this reasoning, this also gives a first indicator that trust between co-operatives or unions and members is not yet fully established. If this were the case, members would feel more secure and would start to focus more on long-term benefits such as entrepreneurial investments or infrastructure developments.

In this case, we witness an interesting discrepancy between directly given information of participants, who all reported high levels of trust, and deductions from FGDs. Understanding developments such as the creation of trust as long-term and highly complex developments we can understand the organization of farmer households in co-operatives and unions as at least partly successful in terms of creating trust, as they are definitely initializing a positive trend, but also still in need of much effort in order to prove their reliability in the long-run.

As a final observation can be added that member households perceive financial support and a feeling of security in the co-operatives as the groundwork for a successful co-operation. Analysing the perceived connection between these two points, financial support and the feeling of security, it can be said that financial stability is perceived as the most potent tool to overcome challenges and to create this feeling of security.

5.1.3. Perceived challenges

Co-operatives are creating shared benefits as discussed above, but member households of co-operatives also share in a unique way their challenges. Similar to Maslow's (1970) adapted version of hierarchies of needs, we will explore in the following a hierarchy found in perceived challenges in the visited co-operatives. Both, these challenges and benefits will then provide an understanding of how membership in co-operatives serves as a formal safety net for its member households.

5.1.3.1. *Financial security*

The first and most essential challenge discovered in the co-operatives was the need for financial security. The central position of financial security results from two factors. The obvious reason is that observations recorded in this report were made in a group created to facilitate a working relationship. The main aim of this business co-operation therefore logically is a business-related measure. Since income is a globally accepted measure for work achievement, the choice of financial security seems to be a reasonable aim to move towards.

The second factor results from Maslow's argumentation. According to the hierarchy of needs, the base-line need is made up of physiological needs including food, shelter, and warmth. Most of these primary needs can be bought with money and therefore give financial security such a central role amongst challenges perceived in the co-operatives. Financial is the first challenge that arises in the co-operative and main aim of connecting all member households independent of their individual position or circumstances. In the end, all following challenges are subordinate to the fulfilment of this need.

5.1.3.2. *Safety*

The second level following financial security is the provision of safety. Safety needs in the context of the nine observed co-operatives can be translated into challenges around infrastructure, education facilities, additional workforce and the provision of tools.

All these facilities and tools can be bought by individual member households or directly provided by the union or co-operative. The provision of these security generating factors is mainly an expectation directed at the premium generated through third-party certification schemes. In the case of additional workforce and tools for the field, this related directly to the wish to increase yields in coffee production, which then in turn also translates back into higher financial security. The creation and accessibility of schools and medical facilities however, as well as the creation of roads relates to communal and social needs supplementing the direct economic needs. With the creation of roads, transport of produce as well as transport for other reasons could be eased and quality of life increased.

These other reasons could also be transport to and from schools and hospitals for family members and are therefore also closely related to the wish for more education and health facilities. Both facilities are in the co-operative framework mainly understood as a generation and preservation of workforce.

5.1.3.3. *Social needs*

As soon as this need or challenge is solved or attended to, we access the third level of social needs. Both, social needs as well as esteem needs following safety needs are levels mainly addressed by the member household's informal safety net but will be quickly discussed here to convey a complete picture.

Social needs are in our context the challenges arising in a family or with friends. These challenges are mainly discussed as misunderstandings or tensions between spouses in relation to money handling. Women in most co-operatives record that it is common to have troubles with spouses misusing family money for leisure activities such as gambling or drinking. Even though women are understood to be more responsible in their handling of money, tensions also arise due to their and even the children's unilateral use of money e.g. for clothing or school respectively. Most of these tensions can, therefore, be traced back to unilateral decision-making and missing communication.

The co-operative, as formal safety net, can support families in this respect with gender trainings and the provision of safe spaces for communication. The biggest part of this necessary communication is however reportedly happening among families or friends. If challenges occur among friends and deal with money, the co-operative is often mentioned as a mediator or financial support to ease tensions.

5.1.3.4. *Esteem needs*

In terms of esteem needs, in a sense of a feeling of accomplishment, participants mention mainly challenges in faith and community that is in turn then brought back to church or community leaders outside the co-operative.

Challenges and needs in this category however also comprise a repeated wish for an own car. In comparison to boda-bodas, motorbikes mainly used for transport of goods or passengers, cars carry a certain social value. As one participant put it: "[...] buying cars, living a very comfortable life. [...] It is actually prestige" (ID 9). Many men have access to a boda-boda because it is cheaper than a car and often makes up for a second income for the family. Owning a car, however, equals a clearly visible social advancement and an additional more profitable possibility for income. The side effect that products can be transported more easily to the collection points of the co-operative was also mentioned and stands for an additional increase of quality of life.

The co-operative's role on this level is limited to the financial opportunities in terms of loans, savings and the creation of financial literacy. With these opportunities, they are creating a formal frame supporting also the achievement of personal, not necessarily work-related goals.

5.1.3.5. *Cognitive needs*

The last challenge mentioned in FGDs and interviews is the lack of knowledge and training. This challenge is again clearly in the coping sphere of the co-operatives and, while keeping the connection to Maslow's hierarchy of needs, falls under the fifth level of cognitive needs.

Member households were describing this lack of trainings as an inhibition to reaching their full potential as farmers and business men, dealing with coffee off their fields. As previously described, trainings are among the most positively perceived benefits of being a member of co-operatives. Trainings in this formal framework are aiming to cover all important aspects of life of their member households ranging from gender trainings to financial literacy.

The problem with these trainings is that they are costly and member households are highly dispersed. With this dispersion, it is difficult to regularly organize meetings in a bigger group which would be more cost-effective. The choice therefore often falls on training staff members who then, in turn, have the responsibility to carry the knowledge further. Unfortunately, this does not happen as frequently as needed due to different reasons, such as time constraints and missing teaching skills.

The second limitation, the difficulty to bring farmers in a bigger group together, has three main causes. The first of these causes is the fact that farmer households live in a very inaccessible stretch of land, spread across the Rwenzori Mountain region. Without proper infrastructure and means of transport, commuting to and from the trainings is not feasible or takes too much time to be effective. The second reason is connected to the first and demands a look at the time-sensitivity of the coffee crop during harvesting season. Given this need to get the coffee off the trees in time and to supervise the crop to prevent damage from rain or animals, farmers simply do not have the time to travel to the closest training during harvesting season. This means either trainings would have to be organized more carefully off-season or means of transport installed to facilitate a shorter time of travelling. The last limiting factor is the difficulty to inform member households of these trainings. Not every household holds mobile phones and mouth to mouth propaganda in churches or other meetings is very time consuming and not very transparent. The securest method up to date is communication via radio, and even that never secures that every household gets the message. New forms of communication need to be devised in order to facilitate a secure and reliable connection between training facilitators and member households.

As a result, training and capacity building often remains at the highest organizational level of the co-operative and union. Since being a farmer and being part of the co-operative dealing with coffee made up for big parts of their identities, this lack was perceived as much more urgent than the acquisition of a car.

At this point, we are therefore clearly leaving Maslow's hierarchical set-up of needs. In the case at hand, we are now making the distinction between challenges solvable by a formal framework (5.2.), i.e. the co-operative and union, and challenges addressed by a more informal framework (5.3.), e.g. family and friends.

5.2. Formal safety net

On the formalized side, the co-operative and related challenges and benefits are organized in a clear frame bound by organizational set-ups, formalized structures, and hierarchies. In this frame, roles and responsibilities are ideally clearly defined and create a sense of transparency

and accountability for all member households. Perceived and promised benefits result from a clear communication of the needs of member households. The formal safety net's responsibility is then to enable this communication of needs, to listen to those needs and to transform them into tangible benefits.

The reduction of financial and knowledge challenges and needs are directly depending on these mechanisms, which serve as a facilitation mechanism.

These mechanisms guaranteeing this transition from needs to benefits are in these co-operatives organized through a democratic voting mechanism, representatives of the union in close distance and grievance mechanisms, such as complaint boxes and democratic voting processes, that guarantee every member household an equal voice. Through this clear set-up, this formal framework creates the basis of cooperation among farmer households. At the same time, this clear set-up creates the first requirement for the creation of trust, and resulting increased productivity and effectivity, in the pursuit of their chosen collective goals, here in the first instance the pursuit of increased financial security (Mayer et al., 1995).



Picture 4 and 5: Complaint box outside Karughabira Co-operative and notice board with the coffee price outside Kyeibanga Co-operative
Source: Author

5.3. Informal safety nets

As already briefly mentioned above, there is more to the generation of SC than purely formal support networks and frames. To every formal dimension in co-operatives or any other group belongs the equally important informal counterpart. In the following, the specific make-up of this informal framework in the nine visited co-operatives will be examined and conclusions are drawn for its importance in order to generate SC.

5.3.1. Relevant parties

The co-operatives at hand recorded through the bench three main parties who make up the informal safety nets for individual member households. These are in short groups of shared interests or friends, family, and religious institutions.

5.3.1.1. *Friends and fellow member households*

The first group discussed is the group made up of friends and fellow member households sharing main interests. This is a group of people in and outside the co-operative with vanishing boundaries.

This unclear separation between in and outside the co-operative results from the individual perception that membership in the co-operative is beneficial. Since member households perceive the co-operative as beneficial, they tend to invite other friendly households, who are not yet part of the co-operative to join and, therefore, serve as automatic advertisement to the outside. This of course only works for households working in coffee or interested in working with coffee. However, since coffee is a main cash crop in the Rwenzori region, and since geographical closeness of households (in this region) has a strong influence on the creation of friendships in the first place, this group of potentially friendly households interested in joining the co-operative comprises a big number of people including neighbours and neighbouring communities.

The second reason for the vanishing boundaries is the close cooperation of member households in the co-operative. As already mentioned, geographical closeness is a strong variable when it comes to the growth of friendship, this is supplemented by joint interest and motivation. Seeing each other regularly due to frequent meetings in different sub-groups and shared circumstances of life, i.e. benefits and challenges, further increase the mutual understanding between groups inside the co-operative.

A specifically good example of such a group are the solidarity groups, sub-groups formed in co-operatives. These groups are usually made up of five to seven members and serve as formalized informal safety nets, i.e. in the co-operative officially registered guarantors for financial support from the union and co-operative and first place to go in case of an emergency of personal or professional manner. These groups are usually freely chosen by member households and stable because grown trust is what makes them successful. In general, it can be said, that work and emotional connections are closely intertwined in this informal safety net.

5.3.1.2. *Family*

The second group is in our context the strongest informal safety net because it shares most interests and is traditionally embedded in the social make-up in the Ugandan culture. This group comprises of the immediate family in a household and the wider family, as in parents and other members not immediately living under the same roof.

This group is especially important since it does not only take on the role of emotional support system, but also functions as knowledge generator and storage in an environment where education is hard to come by, because either expensive, not affordable in terms of time investment, or systems providing it simply not available in farmers' regions or country. Growing coffee is not a new development, that means coffee-growing traditions and land have in most cases been passed down through the generations.

This group is a very closed group in which traditionally problems in the household are discussed internally. Issues are usually only transported to the exterior, be it the co-operative or different organs of law and order if problems are getting out of hand and cannot be solved in the family anymore after trying repeatedly.

This can be a very nourishing and trust giving relationship or a very destructive one, depending on the choices and mechanisms at place. The only solid influence the co-operative and unions have on this group is through training and through the provision of tools to improve household relationships or handle reoccurring internal challenges in the coffee sector, such as money handling. The power of particularly this group is that the ability to which individuals can trust is also learned and passed on. This means the basic trust level a co-operative is working with is always indirectly or directly depending on the household environment. A sustainable approach to trust and SC increasing measures should therefore always also include this informal safety net.

5.3.1.3. Groups of same religious belief

The third and last informal safety net is the church and groups of the same belief. The belief one individual chooses is mainly passed on from prior generations. Different religious backgrounds in one household happen but are not common.

In general, religion is still very much practiced in Uganda even if more by women than by men. Reoccurring and regular meetings, depending on the religion, and strict value and morale codices are the main strengths of this informal safety net. The general perception of importance of religion also makes sure that as many people as possible have access to places of worship and spending time in places of worship is not only socially acceptable, but also understood as hobby, place of social interaction with friends and family and obligation in order to lead a good life or plead for good harvests.

The importance of this social network according to informants lies in the social integration of a member and a member household in a benevolent community outside the business world and controlled social interactions such as family life and how to interact with other people in the community. Sentences such as "[We are] go[ing] to church for counselling" (FGD 8) reappear frequently among all nine co-operatives.

The link between co-operatives and religions is rather weak since the co-operatives at hand unite different religions among their member household. In some cases, some of the premium money has been used to help build a church or provide a loan in order to build a church, but

beyond that co-operatives and religions are as separated as possible. In this way, religious institutions remain an independent authority and moral compass outside the co-operative.

5.3.2. Functions

These three groups, even though not as tightly organized and supervised as the formal safety net, fill two very essential functions. The first is the connection between household and co-operative, i.e. private and work life. Secondly, it functions as an emergency and short-term support system.

5.3.2.1. *Trust and sense of belonging*

In a culture such as the Ugandan, community and family in the wider sense is a central aspect in society. On this level, decisions are being made and values generated that are then in turn transferred to the work environment. The inclusion of this informal safety net into the co-operative to different degrees serves as a medium transferring trust onto the co-operative and therefore makes cooperation smoother and less prone to misunderstandings. With other words, they generate a feeling of belonging and identification with the co-operative amidst member households. This identification with the co-operative in turn is essential for the application and the legitimacy of rules and modes of operationalization making up the formal safety net.

5.3.2.2. *Feeling of security*

The second function of this group regards the feeling of security in member households. As discussed above, challenges arising in the household are usually dealt with in the household, to be part of a bigger co-operative simply offers the possibility of a wider and perhaps more impartial judge if necessary. Religion and groups of friends serve just like this, as additional options for conflict resolution. In the case of the first two groups, with even more knowledge about personal and value backgrounds. Since these backgrounds are known in these informal safety nets, help if needed can be given in a very targeted way. Whereas the co-operative is seen as a more formal form of security provider, in terms of loans and capacity building, informal safety nets are seen as more immediate support. Loans and capacity building are good examples of the help given from co-operatives to member households since they capture well the more long-term dimension and organizational hurdles necessary to profit from this help. Support provided from family and friends, as well as group of belief, however, can act on a more faith and trust-based level enabling them to react faster and with less bureaucracy involved.

5.4. Networks that create trust

Households are part of a complex network. This network goes far beyond the formal borders of solidarity groups or co-operatives, formal and informal safety nets, and comprises social relationships and emotional bonds as much as simple work relationships. This fragile and very close relationship results from a very central position of the coffee farms in each household.

With coffee being in most cases the main income, most time is spent on coffee related tasks. Working in a co-operative means that most important decisions and much of the time invested in the coffee business is spent together. In such a tight work environment trust is immensely important. In the following, we observe how relationships of trust in member households towards their co-operatives are being forged through formal and informal safety nets.

In understanding how formal and informal safety networks can lead to the generation of trust in co-operatives, we will first have a look at each of them separately. The line of argument will be based upon data gathered in the nine co-operatives and supplemented by literature.

5.4.1. Formal safety nets

Formal safety nets have their strongest influence on the creation of instrumental trust. By reliance on co-operative internal and national bye-laws, organizational hierarchies and internal and external control bodies co-operatives are setting the frame for co-operation and identify costs for opportunistic behaviour.

5.4.1.1. *Instrumental trust*

Trust can be understood as a fragile system creating securities in a specific group, to stabilize this feeling of security and trust rules are being established and a joint goal is being created. Through this jointly organized goal, in this case, the trading and marketing of coffee, the group creates its own pool of shared interests in the first place. Markers for instrumental trust will be reliance on organizational structures in the co-operative and union and expressed trust in authorities.

In most FGD it became apparent, that the coffee plantation has a very central and direct influence on individual's lives. In a more formal sense, looking at the cost-benefit analysis, since coffee is making up for most of member households income, the risk aversion towards opportunistic behaviour is relatively low. This is additionally highlighted by the high importance member households put on the increased market access, higher prices and increased bargaining power. By putting this emphasis, they are putting a high value on these aspects of the joint organization of their produce. Additionally, in order to join a co-operative, member households have to buy shares and therefore make their financial situation directly depending on the economic situation of the co-operative. This, in combination with the clear consequences of opportunistic behaviour, laid out in publicly available bye-laws, make the costs of opportunistic behaviour relatively high and therefore breaching trust unattractive.

5.4.1.2. *Reciprocity structures*

This instrumental trust is further deepened by reciprocity structures between co-operative and member households, and between member households.

The formal framework of a co-operative does not only have punishing mechanisms in place in case of opportunistic behaviour, but also rewarding mechanisms in case of joint planning. A clear example is the selection of model farms. A model farm, so-called champions, are selected

due to their exemplary application of novel farming techniques, equitable relationship with fellow members and in their household, and their capacity and willingness to educate fellow member households. These model household then receive additional financial support and additional trainings in order to create learning facilities for fellow households in and around the co-operatives. These rewarding mechanisms could therefore also be seen as an attempt to align co-operative and individual interests.

Another example of this beneficial co-operative member household connection is the provision of tools and knowledge through extension officers and the co-operative. These two supportive measures have a direct influence on the quality of the coffee and therefore on the income, an individual member household is generating. This example is however much weaker because the co-operatives and investment and the provision of high-quality coffee is delayed and the reciprocity not necessarily observable. An indicator that this investment by the co-operative is not always paying out are the wide gaps between estimated and really delivered yield at the end of a season. For internal administrative processes related to certification procedures and trading, the co-operative estimates for each farm an estimated yield based on the number of their trees, extension, and location of their plot and the number of workers (including family members) on the field. These numbers, however, match only in a few cases. The discrepancy between these numbers was explained partly with unexpected harvest loss due to pests and climate conditions, but also with farmer households selling parts of their harvest to independent traders or middlemen. This is either happening, because households require immediate cash and are due to some reasons not able to get a loan, or because the market for certified coffee has been saturated and the union is forced to sell their coffee as regular coffee for lower prices. This example therefore clearly speaks for the need of additional trust creating and corporate identity-forming measures.

An example of reciprocity structures creating instrumental trust among farmer households is the organizational make-up of saving and loan groups. These groups help many households to bridge the harsh decline in income between harvesting seasons and are based on a trustee system. In case a household cannot pay back its loan, solidarity groups or other members in the same saving and loan group have to come up with the loss. This puts high pressure on individual households to not default their loans and further increases the costs of opportunistic behaviour. On the other side is this dependency also a guarantor of security for individual member households who do not necessarily need a personal connection with their trustees in order to trust in this system with their saved money.

5.4.2. Informal safety net

Informal safety nets have their strongest influence on the creation of maxim-based trust. Through increasing time spent in the co-operative with fellow member households, the benefits of potentially valuable relationships benefitting the individual household in more than financial aspects is increasingly outweighing benefits through opportunistic behaviour.

5.4.2.1. Maxim-based trust

The main advantage of this form of trust is that the exploitability of each involved party is successively decreased because all share common goals and understand joint ways as the best to reach this goal. This joint understanding then decreases from the beginning the wish for opportunistic behaviour. Maxim-based trust will be identified mainly to the presence of informal relationships among member households and their functions for individual member households.

This particular form of trust is developed over time through increasing knowledge of the other party. The more time and information are shared among the involved parties, the closer gets the relationship, and the trust generated among them (Hatak et al., 2015). Membership-focused co-operatives, like the nine co-operatives at hand, are supporting this generation of trust, by creating small, closed subgroups, i.e. solidarity groups, MWSs, and the co-operative itself, with regular meetings in which expectations can be phrased and their realization facilitated. By experiencing the successful implementation of delayed benefits for behaviour according to the jointly agreed-upon rules, trust into delayed gratification will further increase in the next round of expectations.

The advantage of a group setting like this is the equal contribution of resources to the group creating a pool of resources going beyond purely work-related opportunities and support. By continuously working together with the same group of people, in rather small groups, the identification with the group again exceeds the pure work relationship to a more informal safety net also sharing socio-emotional support. The ability to also have non-work-related issues among member households creates an opportunity for underprivileged groups in the co-operative i.e. women, youth and old members.

5.4.2.2. Reciprocity structures

These three groups lead directly to the aspect of strong reciprocity among member households in member-focussed co-operatives creating maxim-based trust. All three groups, who suffer disadvantages due to their gender or age, experience increased inclusion and benefits due to social policies in the co-operatives based on the understanding that their inclusion will increase the general performance of the co-operative.

Reciprocity again can be found in two different kinds of relationships: between fellow member households and between co-operative and member households. Examples for the co-operative-member household reciprocity can be found in capacity building and the introduction of new potential into the co-operative, as in the generation of union-based education funds. This fund is supporting young member adults striving for an academic career in coffee but lacking the financial means to finance a degree. Under the condition that they afterwards come back to the co-operative and contribute with their knowledge to the coffee business of the co-operative, they are sent off to gather knowledge that in the future then might increase the co-operatives market position. This is a clear example of delayed benefiting based on expectations and a relationship among member and co-operative. Returnees

expressed their experience with this fund not as a ‘need to come back’ but as a ‘wish to come back’ to make their co-operative proud of what they achieved because the co-operatives “believe[d] in [them]” (Interview 5).

An example of reciprocity among member households based on maxims is the rotational harvest support system found in BJCU. In this system, where older members who cannot stem the highly time-sensitive harvesting period alone anymore, are helped by different fellow member households solely based on the understanding that this will be done for themselves as well as soon as they are reaching this critical age and that more harvested coffee improves the economic position of ‘their’ co-operative.

5.4.3. General trust generation

In both cases, formal and informal safety nets, instrumental and maxim-based trust is supplemented by varying levels of norm-based trust. This is the case because all member households share very similar norms, living and working in the same region, working with the same crop and sharing one cultural heritage. This is shown in an undebated understanding of religion being one of the main constants in their lives, shared perceptions of family, including joint decision-making of father, mother and children, and prestige as seen in the wish to purchase a car. These intrinsic collective norms are especially in a collectivistic culture of big influence. Given certain, for this specific context universal, codices of behaviour reduce complexity for everybody interacting with each other.

In general, one can say that the trust generation in co-operatives lives of the generation of all three forms of trust but thrives only if a certain level of relationship resources can be generated that lifts the consideration of opportunistic behaviour off the purely cost-benefit level to a more long-term oriented understanding of shared goals. This generation of shared goals is then in turn facilitated and accelerated by a shared basis of values and norms only available in a shared and learned context as is the case in co-operatives. Even though we cannot speak of a fully trusting environment yet, having discussed various concessions in the implementation of trust generating measures, these measures are in place and working.

SC as enabler

An intermediate conclusion therefore is that co-operatives, through the generation of formal and informal safety nets, enable the generation of a network that creates trust, i.e. SC, that enables member households to increase their sustainable livelihoods.

5.5. Effects on well-being

The question is which role FT certification specifically plays in this connection and how an improved sustainable Livelihood through an increased SC can be measured. To make this change in member households’ Livelihoods visible well-being categories have been defined

based on the assessment of member households in all nine co-operatives. In the following, the different categories will be explained, and perceived FT effects will be analysed on the basis of these well-being categories and the three aforementioned dimensions of SC generation, i.e. formal safety nets, informal safety nets and the creation of networks that create trust. This chapter will then conclude with some recommendations based on the varying influence of FT certification on these categories.

The following four categories have been derived: Financial security, good governance, securing of basic resources, and community.

The first of these categories is financial security. This category is the most prevailing and most central of all four expressions, as already explained in the challenges and needs member households are sharing in a co-operative. If asked “What is important in your life?” participants over proportionately often referred to financial security in terms of access to secure markets for their produce, higher prices, more bargaining power, and agricultural and financial trainings to negotiate these prices.

The second category derived from the discussion about essential aspects to farmer households’ lives is good governance. Good governance in co-operative is mostly communicated as a need in clear communication structures and operational structures, i.e. organizational transparency, and accountability mainly to reduce opportunistic behaviour of superiors or individual member households.

The third category concerned the basic level of secured ability to feed the household. This category mostly appeared in mentioning additional food crop gardens to guarantee the family’s basic intake and have an additional small income by selling vegetables and fruit on local markets. This garden was mainly considered the business of the women of the household, but the existence of such a garden was considered very important by both men and women. The second aspect of this category is the provision and availability of tools necessary for their work on the field. This can comprise everything from seedlings to hoes.

The last dimension of well-being in the context of this research is the community aspect. The member households are part of a wider social network. This network includes fellow member households, friends, saving groups or religious groups. An umbrella term for all these bigger groups creating safety nets and support systems is the community the individual member households live in. A healthy community includes equitable relationships between its members in relation to gender, household and age groups, knowledge and problem sharing.

In the following, we will discuss perceived changes due to FT certification looking specifically at these four categories looked at individually for formal safety nets, informal safety nets and resulting networks that create trust.

5.5.1. Financial security

5.5.1.1. *Formal safety nets*

In terms of financial security formal safety nets, i.e. organizational structures, take an essential role in the perceived increase in a household's well-being through FT certification. The creation of saving and credit groups is one of the main pillars in guaranteeing this financial security. These groups are however not directly linked to the FT certification, as in they are not a requirement for certification, but they are profiting from the engagement with FT organizations and connected NGOs and the additional FT payments which mean investments into the stability of these saving and credit groups. This financial backbone is then further supported by trainings organized in financial literacy for board and saving group members, that are directly perceived as an effect of the FT certification (see 5.1.1.2.).

The biggest positive perceived influence on financial security is the payment of premiums, higher prices, guaranteeing a minimum price and secure market access with pre-finance structures. These are usually the first mentioned benefits when talking about FT certification. Even though some of the financial benefits perceived by member households are traced back to organic or other certifications, they are nevertheless highly linked to the term FT, what makes it a successful policy and marketing for the certification system and creates trust in the certification for member households. The premiums are mainly linked to the improvement of quality of coffee because the most direct investment and most beneficially perceived investment of FT premium is in tools that can be used by member households in production, i.e. hoes or taprines. Since the premium already covers many of these necessary expenditures, households feel very relieved in their daily financial pressures.

The higher and more stable prices, with the minimum prices, add a long-term perspective to most respondent's financial decisions because these reliably higher prices enable member households to save money for off-season and unexpected expenditures and to invest in co-operative unrelated areas, such as the education of their children. This benefit is of course again highly connected to the presence and need for saving and credit groups who offer low interest rates and a trusted environment to invest this extra money for future purposes. The presence of a secure market and FT organizations in the background who seek to enlarge and secure this specialty market is another trust creating element. Even though market access seems to be a very undefined and unclear term among member households all of them understood this market access as essential for the creation of the higher prices paid for their coffee. FT certification is understood in this context as the gateway to these markets and therefore higher prices and makes investments in re-certification and audition processes financially a good decision. Finally, the pre-financing structures and contracts mainly used in FT transactions are adding another layer of financial security for member households who are no longer depending on one big payment at the end of the season without any security how big this payment will be.

Another dimension of this financial security is the transparency policy concerning current market and minimum prices in co-operatives when becoming FT certified. It was widely

perceived as increasing financial security if co-operatives hung-up current prices in their co-operative offices to support general price transparency for their member households.

Another perceived contribution of FT certification lies on the side of co-operative board members. This very specific group of members, and connected member households, carry the responsibility for their fellow member's well-being in and resulting from the co-operative. Repeatedly, these chairmen and women reported an increased feeling of physical and psychological financial security in their post, as they are with FT premiums able to grant projects needed by member households or projects targeting future necessities of the co-operative. These board members were reporting incidental violence if they were, as a co-operative representative, not able to pay member households after the harvest because contracts defaulted, or the commodity market prices sank unexpectedly. This security that farmers can be paid for their work, and the resulting prevention of conflict decreases the feeling of helplessness on their side through increased financial security, or as a chairperson said: "[I am] no longer scared of the farmers, [because I have] somewhere to get money. And [I] can settle many people" (FGD 8, chairperson). Board members and financial staff in the co-operatives also feel higher financial security because they are receiving trainings by FT organizations in transparent book-keeping and financial administration. These trainings again provide them with a mean to convince member households of their due diligence dealing with their money and coffee and proofs of payments that are recorded and further help to prevent misunderstanding between member households and the board simultaneously empowering both groups financially and improves simultaneously the relationship among both groups.

A last additional factor is the influence small-holder farmers have on the creation of new policies and the FT organization in itself through participation in the board of directors, key committees or consultation processes (Fairtrade International, 2019). Through the beginning inclusion of small-holder farmer voices in the execution of programs in their interest creates trust in the bigger organization that FT certification with FLOCERT is part of. This increased trust in superiors can also be traced back to an increased relationship to board members and decision-making bodies in the co-operative.

5.5.1.2. Challenges

Challenges remaining in the creation of financial security in formal safety nets are the sometimes very rudimentary information member households have about what FT certification entails in detail for them, also in comparison to other certification bodies. Increasing information on detailed benefits would further increase transparency and financial independency from field officers who are acting now as the connecting body between FT arrangements on union level and member households in the co-operatives. This in combination with the difficulty for member households to participate in AGMs and other decision-making activities due to time constraints, missing channels of information and geographical distance leaves room for questions of how financially empowered and included individual member households really are when it comes to investment decisions of FT premiums. The main reason behind this missing information transmission to individual

members is the lack of time of extension officers for so-called 'FT trainings'. The danger behind this misinformation for FT is that member households at one point might not understand the benefits anymore as generated benefits through the FT certification scheme and stop re-certifying. The danger for member households is that board members of co-operatives or unions make use of this missing knowledge and make financial decisions over members' heads undermining their voice in decision-making and therefore their financial security.

Another challenge for financial security is the not guaranteed access to FT markets. With more and more co-operatives being certified and seeking out FT markets the market supply is increasing faster than the FT product demand (De Janvry et al., 2015). Farmers report that at times they have to sell their, as FT produced crops on the open commodity market reaching lower prices and making losses due to the nevertheless prevailing cost for FT certification and re-certification. This insecure FT market access is not guaranteed to get more secure in the coming years and requires FT organizations continuously to seek new market opportunities and new marketing ideas.

5.5.1.3. Informal safety nets

The two main aspects of how FT certification is supporting positive developments in informal safety nets are the reduction of social pressure knowing that there is a pool of money in case of emergency in the co-operative or the household, and a decreasing social pressure on specifically co-operative board members.

With higher prices and material support granted through FT certification, fellow member households have an increased pool of financial means at their disposal that can be relied upon by close friends and family in case of a financial emergency. With most financial transactions happening in cash, the availability of cash in cases of a health emergency can decide on life or death. The knowledge that households can rely on their informal safety net in such emergencies highly increases the subjective feeling of financial security and therefore contributes highly to the feeling of increased well-being. This availability of cash is of course not solely traced back to FT certification but remains highly connected to the term FT.

5.5.1.4. Challenges

This last point of transferred perceived trust in authorities in the co-operative has to be looked at with caution. Even though farmers indeed perceived the additional financial benefits as very supportive, they also saw a threat in authorities abusing this additional income and being lured in corruption. Also seeing in the nine selected co-operatives in Uganda, that democratic processes such as elections can be organized very differently, ranging from re-elections every two years with a rotational system replacing men with women and vice versa, other co-operative board and committee members can be unlimitedly re-elected with not much more than the argument that they already know what they are doing and want to keep doing it. FT here faces a dilemma, is there a need for stricter regulations where it comes to the establishment of local bye-laws and regulations and risking a top-down limitation of the co-operatives sovereignty or is this a gradual learning process in the co-operatives that allows for

sub-optimal conditions as a short term solution perhaps undermining the effect FT certification could have.

The only challenge arising here is that these direct social improvements can only be traced back in two co-operatives each. In the other cases, these positive influences go mainly back to a perceived increase of identification with the co-operative due to the increased financial security, whereas in the other cases this connection has been derived indirectly through comments made in FGDs.

5.5.1.5. Networks that create trust

Is there, therefore, an overall positive development recognizable in the networks that create trust in the case of financial security? This research clearly finds a perceived increase in financial security through transparent financial transactions and increased reciprocity among members, and among member households and staff.

This reciprocity is mainly due to inclusive policies favoured by FT certification requirements stretching from saving and credit groups, to democratic organizational set-ups and voluntary informal support among friends due to higher availability of cash. The claim of FT to disperse additional income equally across the Co-operative can be perceived as an equally empowering mechanism strengthening the community and social ties across the co-operative, but still leaves room for opportunistic behaviour that cannot be completely prevented with the FT requirements as they are in place or as they are applied right now.

A specific increase in trust is mentioned when it comes to the accompanying financial and money management trainings. In these trainings, households, saving groups and co-operatives are finding ways to record transactions and therefore making them traceable. With the importance of these incomes and many previous examples of corruption, mainly during the state-controlled period, transparency of these records is essential to increase trust in the organization. But not only on an organizational level but also in member households is this transparency essential. Many reports of intra-household embezzlement strains or strained trust in member households. This money, taken from different members of the household for different purposes ranging from leisure time activities to school fees was not accounted for and undermined the trust-generating and empowering joint decision-making mechanisms in individual households. Joint financial planning increases the influence coffee income has on the financial security of the whole household because it can be invested in bigger quantities and with a more long-term effect if the whole household is aware of this investment and supports it.

5.5.2. Good governance

5.5.2.1. Formal safety nets

Many member households of the co-operatives visited have experiences with former co-operatives and instances in current co-operatives relating to corruption and opportunistic behaviour of staff and board members. This form of negative experiences is hard to overcome

since mismanagement in co-operatives can lead to a progressive dissolution of the co-operative and can, therefore, mean personal insolvency and loss of basic resources in a household. Measures increasing and guaranteeing good governance mainly in the sense of transparency and accountability of decision-making bodies is therefore essential.

FT certification supports mechanisms increasing good governance especially through their empowerment claim including training for leadership personnel. These capacity-building measures have a specific focus on the creation and application of democratic processes. The introduction of AGMs is one of the most central development in this respect. These AGMs take place on all organizational levels and offer open and transparent access to joint decision-making and structures of influence. For this annual meeting on the union level representatives of all co-operatives and, if applicable MWSs, are present to influence main administrative and organizational decisions in favour of their constituency. This same system of representatives is then applied on one level deeper, in the co-operative's AGM featuring representatives of MWSs or other sub-groups in the co-operatives. In some extreme cases, such as Mughete Co-operative, part of BJCU, the whole co-operative has been founded to accommodate FT certification. This means FT certification did and can play a major role in the democratic organization of small-holder farmers, increasing good governance and therefore can have a major positive impact on small-holder farmer household's well-being.

These formal requirements of FT certification go deeper, supporting fixed but ideally interchangeable hierarchical organizational structures. Knowing who is in charge with clearly defined roles and responsibilities increases the ability to deal with grievances in a co-operative, be it financial, crops related or personal. This, in connection with voting mechanisms that can hold decision-making bodies accountable for their actions, improves expectation management and decreases opportunistic behaviour of superiors. So-called complaint boxes (see picture 4), explicitly asked for in FT certification requirements (Fairtrade International, 2019), help a healthy anonymous feedback process.

This creates trust that help can be provided if needed among member households, in strong contrast to government agencies that are not trusted in providing this help. The contrast between government agencies supporting small-holder farmers and co-operatives was mainly traced back to these clear democratic processes supported and facilitated by FT certification. Even though the UCDA strives to support democratic processes further by facilitating trainings and offering complaint structures, they reportedly employ not enough field and extension officers to reach all co-operatives. This makes member households even more dependent on functioning internal democratic processes and the effect of FT certification on well-being generation more explicit.

5.5.2.2. Challenges

These clear organizational structures can however also lead to very static and hierarchical structures that can support despotic behaviour. If not clearly formulized or supervised due to certification bodies or internal supervision bodies and structures of the co-operative, these structures can tend to fall to the same elite of 'old men' who are culturally enjoying a lot of

respect in the Ugandan culture and traditionally make up for most of the leadership positions in organizations, what FT regulations originally aimed to revive with more diversity. A crucial prevention mechanism is again the careful drafting of the co-operative bye-laws and feedback loops, such as the complaint boxes.

5.5.2.3. Informal safety nets

This formally introduced system easing expectation management in the co-operatives also has effects on the informal safety net a member household finds him/herself in. Having a clear understanding of what a co-operative is supposed to do also makes clear what functions informal safety nets such as family and friends have to fulfil. Visualizing responsibilities and roles in the co-operatives also increase understanding of the roles of individual members of one member household or different gender roles in a family or community. With this increased awareness, pitfalls and disruptive behaviour decreasing trust in informal safety nets can be circumvented or reduced.

A clear example of this process is the introduction of gender trainings and joint planning. FT certification requires internal policies reducing inequalities in co-operatives. On a very practical level, this is often applied in gender trainings, or as in ACPCU by the appointment of a gender officer. The availability of knowledge on how to improve relationships in the household and among member households creates awareness for each other and smooths co-operation. “Working together” is one of the main themes recurring in co-operatives when asking for benefits of FT certification, what in connection with trainings in responsible leadership and matters of equality also leads to applications of good governance at home and in more informal environments.

An increase in perceived good governance is also traced back to increased trust among informal safety nets due to a more reliable engagement with membership and business information. Due to privacy regulations concerning private data and transparency regulations concerning the availability of business data, members can trust in the co-operative to handle data responsibly and accountably and therefore feel a higher willingness to share information. This information-sharing then, in turn, allows for more meaningful relationships in the co-operatives.

5.5.2.4. Challenges

The main challenge in this respect is the long-term orientation of influences. In a very volatile environment, as the coffee sector, fast wins and effects are important to support member households’ beliefs in the long-term success of a policy or in this case certification. Examples and track records could be helpful in increasing the understanding for also slow progresses.

Another challenge is that these trainings with their interference in cultural and social structures sometimes lead to adverse effects than intended. Taking the gender policies as an example, adverse effects can be found due to the strong focus of joint planning and management of financial means empowering especially women in a household. In conversations with co-operative members became apparent that this strong focus on women

also led to a weakening of the connections in a household that is strongly perceived as the joint organism of man, woman, and children. With this strong focus on women households reported to now feel a stronger separation of all household members than before. This report must not be representative of the wider public but should caution the strong interference in social and societal structures with a Western perspective.

5.5.2.5. Networks that increase trust

FT certification can have a positive impact on the creation of good governance because well-crafted formal safety nets rub off on informal safety nets. This transferral works through the facilitation of meeting space for new friendships to emerge in the form of formalized meetings and office space.

FT strategies and principles help create a frame of norms supporting equitable relationships in and among member households. Examples for this can be, as explained above, improved gender relations or improved communication and feedback between staff members and member households. This increased communication between different member bodies also improves the representation of member households and therefore increases the feeling of identification and belonging with the co-operative.

A similar example of this effect is the introduction of democratic elections, which allows every individual in the co-operative to be elected and offers them similar chances if they can find supporters in the co-operative. This mechanism increases the self-confidence of members and also increases the importance of informal safety nets since this is the place where advocacy and pre-election support seeking takes place according to respondents. Reasons for elections are continued trustworthiness, reliability and respectability. All three aspects can be gained and proven only over a longer period in time and further improves the quality of relationships that are being wrought among member households and offers another mechanism to decrease opportunistic behaviour in favour of group aims.

These group-aims and the confidence that all member know and at least acknowledge these aims improve the dynamics among member households. This dynamic is further facilitated by the above-mentioned trust in the responsible handling of group information and the belief that the co-operative acts in member households' interests. This belief increases individual's willingness for reciprocity and therefore creates more opportunities to create maxim-based trust.

5.5.3. Securing basic resources

5.5.3.1. Formal safety nets

Interestingly is the perceived effect of FT certification on crop biodiversity on the fields very high. This perceived biodiversity then in turn often leads to the increased production of food crops on the farm. This is a good example to visualize the interwoven perception of organic and FT certification. The only formal demand FT certification requirements pose on crop diversification is that the co-operatives "have documented activities that [they] or [their]

members carry out to protect and enhance biodiversity” (FLOCERT, 2017, p.79). This is neither very specific, nor can it count as specifically securing crop diversification and therefore encourage the existence of a farm garden with food crops. IFOAM certification criteria, the certification organization for organic, on the other hand, offers a wide range of specific requirements addressing crop diversification and directly encouraging small-holder farmers to grow food crops besides cash crop production to prevent mono-cropping and increase a family’s food sovereignty (IFOAM, 2014).

The second aspect mainly regarding the provision of tools and therefore enabling and increasing the effectivity of the production of coffee is closer connected to FT certification. With FT premium being bound partly to quality improvement in the co-operative, the premium is often invested in tools or seedlings that go directly to the member households. The formal organization of the co-operatives is regulating the delivery to member households and the inquiry of current needs among their member households. Membership in itself regulates eligibility to receive these tools. Formal FT equity principles make sure the tools are then distributed equally among registered members.

An indirect but strong influence on both tools and food security are increased and stable prices. With increased prices farmer households gain a certain security in terms of food and tool provision independent of their co-operatives.

5.5.3.2. Challenges

The perceived effect that FT certification has among member households remains very vague in terms of food sovereignty. Since much of the perceived influence goes back to organic certification, confusion over what goes back to which certification might cause disappointment and decreasing support for FT certification in general in the long-run. With these mixed benefits, perception of FT certification is no longer only depending on FT, but also on organic certification which cannot be influenced by FT standards. This means, in turn, a certain loss of autonomy for FT.

A challenge for small-holder farmers is that it is questionable then if member households really can make informed decisions if their perception of FT is so closely interwoven with their perception of organic certification. This challenge was occurring in all nine co-operatives and most likely results from a shared internal inspection team, preparing and advising the co-operatives for both organic and FT inspections for reasons of cost and time efficiency.

5.5.3.3. Informal safety nets

Here again, FT certification only provides indirect benefits to its member households given the increased financial security and the therefore increased ability to support members of their informal safety net with immediate needs in terms of food or tools.

A definitely perceived improvement through FT certification is, however, that instances when tools are being distributed to their member households, members have another reason to meet up. These regular meetings are of essence when it comes to sharing and creating an

informal safety net because they provide the opportunity to get to know each other better. This in combination with the clear democratic and 'fair' principles when it comes to distributing additional benefits, such as tools, FT certification creates a norm-based frame, member households can interact in and engage in with each other. As 'fair' are distribution mechanisms defined that distribute benefits equally across members independent of their position in the co-operative, their seniority of membership or their gender. This also acts as another motivation to have as many individual members of one household as possible, to receive more extra benefits. In the long-run, this strengthens the relationship between member households and co-operatives and turns co-operative matters into a family business.

5.5.3.4. Challenges

This mechanism of including more and more family members into direct members of the co-operative entails a big challenge. Requirements for joining the co-operatives are in all cases the ownership or the availability of land to grow coffee on and a certain membership fee that buys shares of the co-operative for the new member. The challenge now results from a tendency, that richer families can buy themselves in more easily than poorer families, then also receiving more extra benefits through their memberships. The same struggle prevails for women in general. In conversation with many female farmers, it became apparent that women have an under proportionate access to land what makes them less eligible for membership in the co-operative in the first place. This creates a feeling of inequality based on gender and wealth in the co-operatives and therefore negatively influences the feeling of connectedness and belonging in this co-operative. This reportedly decreases the trust among member households. FT certification, that strives to create similar changes for every small-holder farmer, needs to put an even stronger focus on the empowerment of women and poorer households, i.e. marginalised groups in general, to reach this equal distribution of benefits. This might be an indirect effect of FT certification, but a very important one in the long-run and might be understood as disempowering and discouraging, and therefore a destabilization of informal safety nets in co-operatives. The positive effect of FT certification on the generation and distribution of basic resources through strengthened informal safety nets can, therefore, be questioned, and might in the long-run reach the exact opposite effect of what has been intended with FT principles.

5.5.3.5. Networks that create trust

FT certification has not a very strong, and more of an indirect impact on formal and informal safety nets when it comes to food availability and sovereignty in a household. In the case of provision of extra benefits improving the farm output, such as tools this impact is stronger, FT certification has a positive short-term impact. This positive impact might however be well cancelled out in the longer-run through benefitting specific groups indirectly more than others. In the long-run this might be understood as clientelism.

The indirect effect that FT certification has in this respect should not be underestimated though. Channelling most of its impact through increased financial security, member households are also creating a shared network for tools and food provision and advice for

each other. This underlying safety net providing advice and emergency support increases the risk-taking ability of the co-operative and therefore increases opportunities to reach their full business and personal potential. A clear instance of such an advice sharing platform are the model farms, as already introduced above. In this context, also information concerning diversification, food sovereignty and the sharing of tools and production means can be shared if necessary. These FT supported opportunities to share knowledge, increase reciprocity and have a positive influence on the creation of maxim-based trust, by creating a space of encounter and shared resources.

5.5.4. Community

5.5.4.1. *Formal safety net*

The main effect on the community through FT certification is the effect through FT premiums. FT premiums can be and to a differing extent must be invested in community projects. These projects range from health or education-related projects to water flow schemes.

The supported projects are selected through the co-operative member households and are targeting both communities and co-operative members alike. This can take very different forms. One of the main advantages is that FT premiums are generating an accumulated sum that is big enough to make investments individual co-operative or community members could not necessarily stem. This makes investments in buildings or infrastructure especially likely. One of the main struggles, mainly reported by women, is the transport of water to and from the fields. A common investment is, therefore, the generation of a gravity flow scheme, leading water in pipes down from streams up-mountain and leading them to communities and co-operatives alike. These water schemes then get taps on different places to multiply the use for the community. Another example is the investment in houses alongside the main street of a village community to rent out to the community for purposes of small businesses. This creates business opportunities for members of the community outside the co-operatives, improves the community's supply of goods and offers the co-operatives at the same time an additional source of income that in turn can be used again for co-operative matters or additional benefits to their member households.

These investments in the community and the joint decision-making on these investments can also cause an increased awareness for business opportunities in the community and the co-operative. These community endeavours can therefore also be understood as an additional formal opportunity to gain knowledge for member households and community members alike.

Another perceived positive aspect of FT certification is the generally perceived increase in wealth. If a co-operative member household's income increases due to FT certification and related higher prices and secured market access, a whole community's purchasing power increases also supporting local businesses. This means benefits for the community are generated in the formal structures in the co-operatives but then these formal benefits expand to non-co-operative matters. This creates a stronger institutional inclusion in the community

and guarantees a certain level of benevolence and acceptance of the co-operative in the community.

5.5.4.2. Challenges

These formal investments in community projects usually extend in planning and execution the duration of one year. The challenge with this is that every year, progress has to be presented in AGMs in the co-operative and the union. Reportedly, co-operatives are struggling with the continuing support of member households if projects take longer than expected or extend the time of one planning period from one AGM to the next. Bigger projects, however, such as building buildings or gravity water flow schemes, are very likely to extend these planning periods due to connected administrative hurdles, supply shortages of building material or simply the extensive number of working hours needed to implement these projects. Transparency concerning reasons for the hold-up, extended construction periods or unexpected costs in relation to these projects help to win support for these projects but also makes this a big administrative and organizational task.

5.5.4.3. Informal safety nets

FT certification also has a strong influence on the community through informal safety nets, mainly through shared information in the community.

Information sharing in the community works through different channels. One of these channels is the organization of trainings on gender and joint planning that are being initiated by FT organizations. These trainings, even though organized in and only with member households of the co-operatives, have reportedly many spill-over effects to the wider community who is experiencing and witnessing results of these trainings in interactions with members. If training content proves to be effective in member households, these households tend to take on the role as an informal training site for other friends and family in the community.

Another shared aspect of FT are the working principles of the organization. Adopting these principles of fair distribution of benefits, cooperation, and equitable relationships makes member households the unofficial, but most effective marketing a FT co-operative could have. These organizational benefits as carried out of the co-operative and seen by friends, families and other households close by, serve as a strong motivation for non-member households to consider joining the co-operative and the community. This gains at the same time more members for the co-operative and serves as unifying and identifying trait of member households towards the external environment. This in connection with clearly displayed additional financial benefits through community projects and higher prices, makes FT and co-operatives a desirable goal. Seeing these benefits recognized in the wider community again, in turn, increases also the good relationship between member households and the co-operative.

But this perceived positive effect on relationships does also affect the relationship between member households and the wider community. By organizing community projects some of

these additional benefits that member households are enjoying are passed on to the community what again creates moments of encounter between non-member groups and member groups and facilitates exchange.

5.5.4.4. Challenges

The challenge for FT certification in this context is to hold the balance between sharing ideas and principals that have the potential to create societal transformation and improvement and to keep enough benefits inside the co-operative to justify the extra effort of member households to get certified, including costs and field inspections.

A critique often voiced was also the often-unclear expectation of how to transform FT principles into action. With not enough trainings being conducted, and changes in certification requirements, co-operatives are often overwhelmed in the execution of requirements and principles. Unfortunately, this decreases the positive influence FT certification could have on their member households and on the wider community. Additionally, if this internal confusion about principles shows in the co-operative, this also serves as an adverse marketing effect for FT and the co-operative itself and reaches the opposite effect then intended.

5.5.4.5. Networks that create trust

Effects on trust between the community and co-operative member households is a very interesting influence of FT certification.

Through the introduction of FT principles in the co-operative, FT certification is indirectly influencing norms and values present in the local community and therefore changing the parameters for norm-based trust through positive incentives slowly in favour of FT principles. This effect is not recognizable in the short run and also not undisputed, because it is also sometimes perceived as unwanted interference in the local culture, but if carefully implemented in a communicative fashion, this can have a positive long-term effect on trust relationships between member households and the wider community.

Reciprocity is strong in this context because the co-operative is supplying the community with new knowledge, and opportunities, whereas the community supports and supplies the co-operative with a social environment embedding the co-operatives in a bigger societal context. FT principals are in this context easy to include because they entail a strong element of integration and cooperation. Another reciprocity increasing aspect is the investment in community projects, creating one-sided preliminary reciprocity built on the mere expectation that the community will contribute to the build-up or security of the co-operative in one way or another. This, in turn, creates again the basis for mutually benefitting long-term relationships.

Well-being categories

An intermediate conclusion, therefore, is that well-being in the visited co-operatives is defined in the following four categories: financial security, good governance, securing basic resources, and community.

Discussing effects of FT certification on all four dimensions of member household well-being, it can be summarized that FT certification has the strongest perceived effect on financial security and good governance with least influence on the provision of basic resources. Financial security might be among the most dominantly perceived improvements because it is a very direct individual influence that FT certification has on member households. It is also to observe that both dominantly perceived well-being categories have main effects in the context of the formal safety net in comparison to FT effects on the community. These formal effects are better traceable and better documented and, in most cases, also immediately visible.

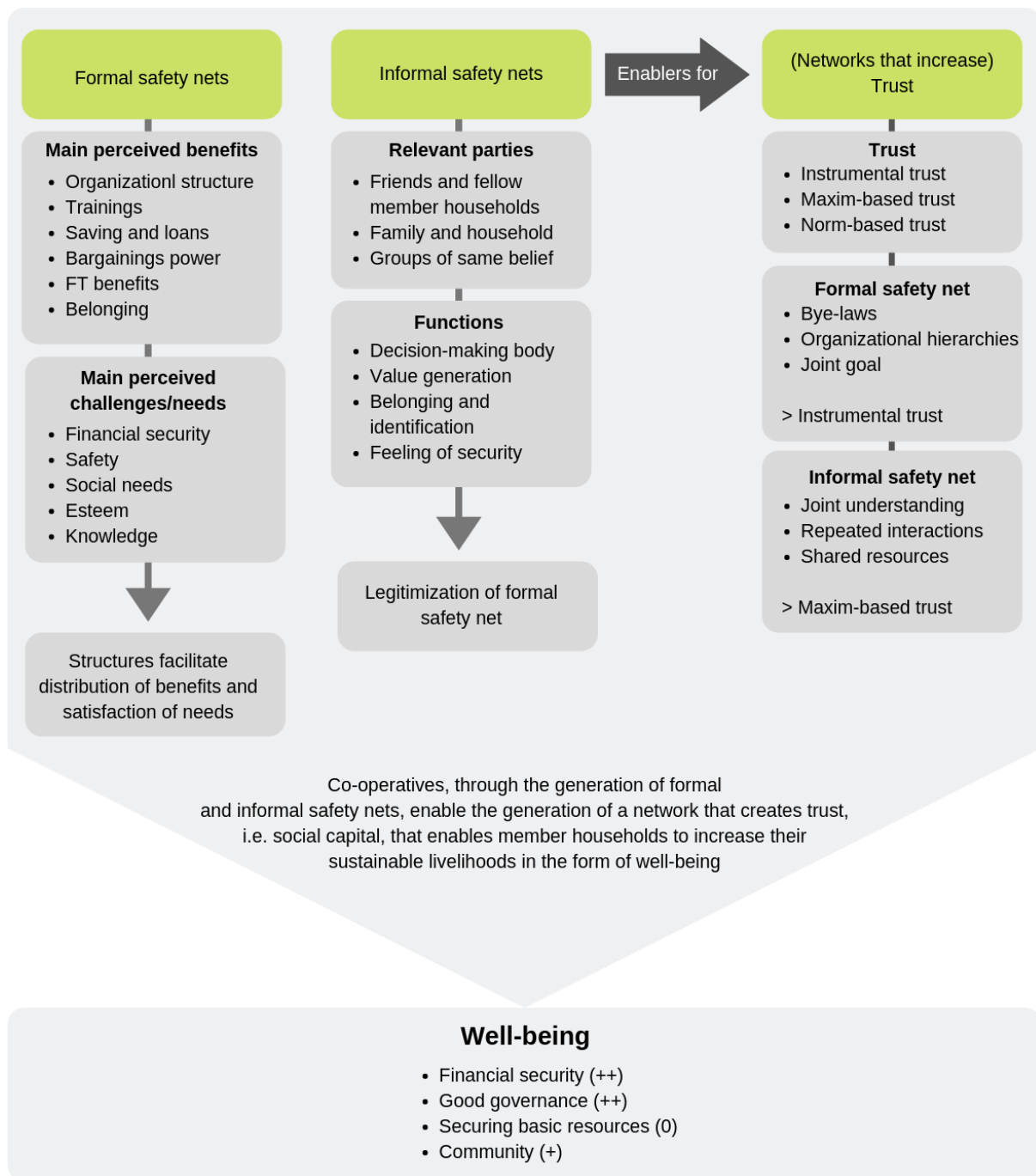


Figure 5: Complete overview findings
Source: Author

6. Discussion

Following the analysis of main findings and debates in the visited co-operatives, a few additional observations and limitations (6.3.) need to be mentioned to set a context for interpretation, supporting the validity of our findings and introduces more background observations (6.4.), that could also lead to interesting research projects in the future.

6.3. Limitations

The findings of this study have to be seen in light of certain limitations that will be discussed in the following. This includes smaller organizational differences (6.3.1.), multi-certification (6.3.2.), challenges with the translation (6.3.3.) and time constraints (6.3.4.).

6.3.1. Smaller organizational differences

For this research FT coffee co-operatives in the same region and similar size were looked at. The challenge with the co-operative and union selection was that two of the finally selected unions are producing Arabica coffee beans and one Robusta variations. This entails smaller organizational differences in the way coffee is processed and therefore how member households are organized. These differences are however not found on the co-operative level and can, therefore, be neglected. Without this difference, a good comparable sample was found in close geographical proximity in the Rwenzori Mountains area, dates of foundation within five years, and a similarly mixed composition of the research sample in each co-operative comprising men and women, mixed ages, members and office-holders.

6.3.2. Multi certification

Another challenge was the multi-certification in agriculture. Unions and co-operatives tend to hold multiple certifications to increase financial and knowledge support (Foley & McCay, 2014). In the case of the three selected unions, the certification basket comprised FT, the Japanese Agricultural Organic Standard (JAS) and Bioland. These certifications are collectively referred to as Organic, with JAS and Bioland, and FT. Since FT fills a very specific niche in the certification landscape, mainly focussing on good governance, it can be methodically isolated and separated from organic certification, mainly focussing on biodiversity and ecology (IFOAM, 2019). Since these two fields of certification work supplementary rather than in the same area, the effect of FT in the generation of SC can still be extracted in most cases, despite multi-certification. In addition to that, Organic certification is organized on union level, which makes this extra certification less tangible in the selected target co-operatives and the effect of this extra certification very similar in this organizational level.

6.3.3. Translation

A severe limitation was the translation. In each of the three unions, I was assigned to a field officer, to accompany me and do the translation of local languages to English. This formal

company from within the union was important and necessary for my credibility and legitimacy of being in the field and facilitated the access to and co-operation with the co-operatives. It also allowed for background information and a quick possibility to justify data in the field. The downside of this company was that despite preparation beforehand, my translators often fell out of their role and back into the role of a union official. This meant constant reminders to translate every conversation to me and wait for participants to react instead of answering themselves if they thought they could answer the question better. Disruptions also resulted from good intentions to shorten the process by anticipating and explaining the next step of the process while the participants were not yet ready for it from the researcher's perspective and the planned course of action according to the methodology. Also, the interpreters were not professionals in this field which resulted in an inevitable divergence between original and interpreted speech. This made a finer analysis of speech patterns or idioms in relation to FT and SC generation unfortunately impossible.

This was controlled to a certain extent by constant interaction and feedback loops between researcher and interpreter. These feedback loops and inquiries kept the interpretation as close to the original as possible. Also, various cross-checks between different unions increased the reliability of findings. Future research, however, would profit from more carefully selected translators who do not have such a strong connection to the co-operatives.

6.3.4. Time constraints

The last limitation discussed here is that the time frame of this research was too short to quantify findings for a more thorough analysis of indicators influencing the generation of SC in FT certified coffee co-operatives. With an additional quantitative dimension to this research, more background data from a wider and more randomly selected pool of participants could have been selected for example in the form of surveys.

6.4. Additional observations

In addition to the above-described findings a few observations were made relating to the remaining capitals and factors of influence in the SLF. These observations have not been specifically researched or targeted but are mere by-products of the conducted research and are mentioned here as a mere supplement or could be subject to future research.

6.4.1. Human and physical capital

The first observation was the apparently strong influence of SC on human capital and physical capital. The first connection seems to be influenced mainly by the perceived increase in trainings initiated by FT certification bodies and organizations. This was supplemented by enhanced opportunities of mutual learning and teaching facilitated by regular meetings perceived mainly as a result of FT certification. The more SC, here formal and informal safety nets were in place, and therefore increased trust, the more member households perceivably benefitted in terms of knowledge transfers. Increased identification with the co-operative also

reportedly increased the increasing support to build schools and provide financial aid to school-aged children. With this support in education, increases in SC seem to have another direct impact on the creation of human capital.

The second apparent influence of SC on another asset was on the creation of physical capital. Through an increased level of trust and shared identity in the co-operative, the individual member households seemed to be more willing to invest in shared infrastructure such as streets, houses, and equipment. Even though this is already covered to a certain extent by the general introduction of FT certification through FT premiums, the share of these premiums being invested in shared infrastructure seems to depend highly on the level of trust and identification of individual households with the co-operative.

6.4.2. Present preference

A very interesting and unexpected finding was the strong present bias of member households. Whereas any FT policies only unfold their benefits on a longer-term scale, the most positively perceived were short-term benefits. These short-term and emergency, mostly financial, back-up systems in place, were repeatedly expressed as priorities. Looking at this evaluation, the long-term priority of most FT policies, such as trainings on societal issues, should be reconsidered. If FT aims to target small-holder farmers' needs, financial short-term support should gain more importance.

6.4.3. Multi-certification

A challenge for data gathering was the limited in-depth knowledge of participants about the mechanisms and effects of these different certification schemes. After closer inquiry, it became apparent that the distinction between organic and FT certification was not as clear for participants as it ideally should be. Some important aspects of certification, such as a very positively perceived support in organic pest control that was clearly traced back to organic and not FT certification, was therefore excluded from the analysis. A similar analysis for organic certification would be interesting to compare with the findings of this research. This lack of reliability of data was compensated though by in-depth interviews with certification officers and review of FGD input, but for future research, a reference group without FT certification would be helpful to support findings on FT certification in the target group and to further disentangle effects of mainly organic and FT certification.

6.4.4. Legal context

In terms of interesting indicators on how structure and process variables could play an influence on the generation of SC or the other way around, we would like to mention the perceived strong influence of legal backgrounds. This background has quickly been highlighted in the form of local (co-operative) bye-laws but seems to reach much further.

A very interesting topic for future research would be the question if all these benefits that FT certification entails could be transferred with fewer challenges in the form of more private and direct trading partnerships between individual co-operatives and private traders. This would create the ability to still focus on the generation of SC besides other benefits, such as financial benefits, but could give room to more targeted and concrete policy and requirement frameworks.

Concluding it can be said, that in all above-described cases of interrelation between SC and physical and human capital, member households' present bias, multi-certification and the connection between SC and the legal context, follow-up research would be necessary to confirm these observations.

7. Conclusion and recommendations

7.1. Conclusion

In this research, we were investigating the general mechanisms generating SC in coffee co-operatives in Western Uganda through FT certification and therefore increasing perceived well-being among member households.

To answer this question, the effects of FT certification on three SC categories were looked at: formal and informal safety nets as well as their contribution to the creation of trust. In relation to these SC categories was observed that formal and informal safety nets function as an enabler for the creation of trust and therefore the generation of SC in co-operatives and among member households.

In order to measure this effect on member households, four well-being categories were defined: financial security, good governance, securing basic resources, and community. The influence of changes in those three SC categories was then evaluated looking at each well-being category in turn.

Concluding the main mechanisms of SC generation, one can say that FT certification has positively perceived effects on both formal and informal safety nets. The main impact on formal safety nets is in the support of the generation of transparent working processes and financial benefits directly to the member households and the co-operative as a whole. These benefits are then paired by addressing basic needs and challenges households are experiencing in the coffee sector, and agriculture in general, with trainings to close knowledge gaps and allow member households to increase quantity and quality of their coffee production. This allows a shift of attention from basic needs to more personal and individual development of member households in a co-operative.

Informal safety nets are mainly affected indirectly by FT certification, by creating meeting spaces and opportunities for exchange, such as AGMs in the co-operative or the union, or centrally organized trainings. The second main effect on the perceived improvement of informal safety nets is through the increased long-term financial security of member households and the therefore increased ability and willingness to act as short notice financial support system in case of emergencies. The knowledge alone that this informal safety net exists decreased anxiety and increases a feeling of belonging and identity in the co-operative.

Perceived improvements in both, formal and informal safety nets, are therefore forming a network that creates trust. This trust in each other and the benefits a membership in the co-operative delivers increases the identification with the co-operative and the cooperation among each other. A perceived increase in SC can, therefore, be clearly ascertainable in this context of FT coffee co-operatives in Western Uganda.

The biggest impacts of FT certification on improvements in member households' well-being categories are reported through improvements in good governance, e.g. transparency of

organizational structures, and improved financial stability. Both allow for more stable work relationships and increased organizational stability in the long-term. This long-term beneficial relationship can then be translated into higher profits for individual member households, through increased negotiation power and bulking, benefits for individuals, as in prestige objects such as cars, or can benefit the organizational development of the whole co-operative, i.e. offering opportunities for more fixed staff.

This increased stability in the co-operative then results in various positive spill-over effects outside the co-operative. Looking at the remaining well-being categories, moderate positive effects are observable in and to the community a co-operative is embedded in. Shared benefits, such as in community projects financed through FT premiums, are the main driver for this perceivably improved relationship between member households and non-member households.

Effects on the last well-being category, the securing of basic resources, were found to be less directly impacted by FT certification. Even though tools are provided by unions financed through FT money, this support is in member households' perception more directly linked to a general increased financial security in the co-operatives and union.

Additional spill-over effects have been reported on other capitals, such as an increased financial, physical, human and natural capital, through different measures related to FT certification. With direct effects of FT certification on other capitals being widely disputed, these positive spill-over effects of generated SC are of major interest for certified and certifier. This research indicates that FT certification should increase their focus on the generation of SC in order to create an enabler for increasing overall well-being in coffee co-operatives in Western Uganda.

Concluding one can say that FT certification indeed has on the generation of SC and therefore a positively perceived influence on member household's well-being, specifically through an increased feeling of security and an increased feeling of good governance in the co-operative.

Generally, all findings described above are highly subjective, e.g. explicitly time and place dependent and based on experiences, perceptions and personal opinion. This makes the findings of this research not transferrable to different societal contexts, organizational structures of small-holder farmers or crops outside Uganda. However, it allowed for specific insights into the perspectives of member households, what provides a better understanding of the meaning of the influence of FT certification in everyday life than a formal quantitative measurement of SC could.

7.2. Recommendations

Based on these findings a few recommendations will be given in the following of how FT certification or standards could be adapted or supplemented, to further increase positively perceived effects of FT certification on member households' well-being.

In the context of formal safety nets, there are four recommendations to make. The first task could be to seek a clearer separation between especially Certified Organic and FT certification. As possible source for this confusion the internal inspection committee and procedures have been identified. The combination of organic and FT internal committee as preparation for external inspections makes sense in terms of time and cost efficiency but might require a more differentiated approach in application to make sure farmers can make informed decisions. These informed decisions would be easier to make if there would be a clear separation between what requires which certification scheme because they know exactly what comes from FT and what from organic. This could still allow for joint internal control systems but would need some remodelling. Alternatively, FT training explaining the FT system, benefits and standards could be expanded.

The second recommendation is to keep a strong focus on discouraging corruption. The fear among member households that board members or staff give in to opportunistic behaviour is still very present. The power of such a fear lies in its potential to disrupt trust among member households and should not be underestimated. Further trainings, knowledge sharing and careful drafting of co-operative bye-laws and feedback loops, such as the complaint boxes would be a good step in this direction. With stronger bye-laws and stricter controls as a part of the FT certification regulations and requirements, the certification scheme would risk a top-down limitation of the co-operative's sovereignty. Therefore, it should oblige co-operatives to reinforce these control structures for long-term successes without despotic developments among authorities in the co-operative.

Connected to the above point is the security increasing function of clear reward and punishment structures, that should not be underestimated. With sufficient transparency, expectations among member households and also specifically staff members can be managed and opportunistic behaviour weakening the co-operative can be further decreased. This does not mean a top-down implementation of an alien set of rules, but the focus on the creation of such a rule book and the internal supervision ensuring that members adhere to these rules.

The last recommendation concerning formal safety nets is a strong focus on updating the co-operative. Many misunderstandings and much ineffective behaviour result from missing information on processes in projects. In projects financed with FT premium money is the additional challenge that people are dealing for this context with a lot of money and therefore giving way to the need for more control. Putting a strong focus and importance on update mechanisms in co-operatives could be one way to increase satisfaction with co-operative projects.

For increasing the generation of SC or reducing the risk of decreasing SC through informal safety nets can be six recommendations made.

A first concern addressed here is the threat of a too strong interference of Western organizations with as artificially perceived principles. This strong interference was mainly perceived, when rules and regulations were not explained properly, not understood by the co-operative members and when they, therefore, did not feel included in the creation and

application process of these principles. This lack of integration might, in turn, lead to the implementation of a set of rules that unintentionally worsen the social standing of a marginalized group instead of improving it. An example can be the very mixed findings of FT certification in connection to gender issues (Kasente, 2012; Elder et al., 2012; Smith, 2013).

Another important aspect, when concerned about the generation of SC is the potential of a co-operative to make member households believe in the long-term benefits of being a member of this co-operative. This entails also to make them believe in the long-term success of certification schemes applied to the business. Especially important in this context is to also find a good balance here between embedding the co-operative in the wider community by sharing benefits and providing benefits to member households only. This balance is crucial because member households still need to feel that their time and money investment in becoming a member pays off, while at the same time they mentioned the need to feel the co-operative as a part of their community. Mastering this balance is highly depending on well-working communication between member households and decision-making bodies. This should therefore always be a priority in the co-operative and FT principles should support this where possible.

The third recommendation concerning informal safety nets is the prevention of elite capture. There still persists an advantage of richer families to profit more through co-operatives and therefore certification schemes. In all nine co-operatives, members are buying shares of the co-operative and need to have access to land to grow coffee. This is a lot easier in a family accumulating more wealth. More starting capital means more members of a specific family or household are able to buy themselves in, and in turn also means more individual members profiting from higher prices, premiums and extra income in kind. Membership and certification policies in the co-operatives should acknowledge this fact and strive to create equitable basic conditions for joining the co-operative.

The last recommendation is again knowledge and communication related and addresses the feeling in co-operatives, that they are exposed to random changes introduced by FT and the FT certification body FLOCERT. With many principles interpreted differently, by different organizations, co-operative staff and member households feel confused and unclear about expectations posed on themselves. Finding one narrative among FT certification bodies and formalizing clear action points based on FT principles would be a vast improvement for co-operative working with FT coffee.

Final brief recommendations for an improved generation of SC:

- Clear communication to member households what FT certification entails and how principles are applied
- Strong focus on securing promised FT benefits, such as market access
- Reduction of opportunities for opportunistic behaviour of member households on all levels of the co-operative
- Clear feedback loops and lines of knowledge transfer and communication to prevent misinformation and allow for transparent working processes
- Integration of member households in the creation and adoption of (FT) principles
- Focus on the balance of internal and external benefits of membership in co-operatives to justify individual inputs
- Prevent elite capture by improving equitable co-operative access criteria



Picture 6: Coffee tree in Kanyatsi Co-operative

Source: Author

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Appendices

Appendix 1: FGD questions

Questions according to SC categories by Adato and Meinzen-Dick (2002)

In the following can be found a selection of FGD questions grouped according to the three SC categories of (1) networks, (2) memberships in organizations, and (3) informal safety nets and how these categories lead to better health, education, or/and income. These questions will be the main source for gathered data, supplemented by in depth and background interviews with individuals. Some categories include statement questions (agree/disagree) that can be applied if it fits the groups.

1) Formal safety nets and trust:

- ➔ What are the main benefits of being part of a co-operative? (opportunities)
- ➔ Do you trust the coop to share these benefits with every household equally? (trust) (reciprocity)
- ➔ XX years ago, you adopted FT certification. Did that change the benefits or your trust towards the co-operative?

Assumption:

The networks households are part of will increase trust towards their family and increase the ability to work together and grant access to opportunities and services, including information and education.

Goal:

Assessment whether the introduction of FT increased the trust, access to opportunities, reciprocity and the ability of households working together in a co-operative. Assessing the nature of cooperation before going in depth into formal and informal cooperation.

2) Informal safety nets:

- ➔ Is your nuclear or extended family all part of this co-operative?
- ➔ If you have a problem in your family, who would you go to?
- ➔ XX years ago, you adopted FT. Did that change anything how you relate to the co-operative?

Assumption:

Informal safety nets are the informal pendant to the membership in organizations. This includes usually the relationship towards family and friends. This informal safety net is bound by emotional bonds and therefore less affected by external circumstances. This aspect of the social capital is especially important for the psychological well-being of a person and the psychological resilience towards shocks (Wilson and Gilbert 2005).

Goal:

Assessment whether the introduction of FT supported the formation of informal safety nets for households in co-operatives.

3) Trust and safety (here: in co-operative):

- ➔ Do you feel safe in the co-operative? (ref. rules and regulations)
- ➔ Are there groups that have more challenges in the co-operative?
- ➔ XX years ago, you adopted FT. Did that change anything in how safe you feel in the co-operative?

Assumption:

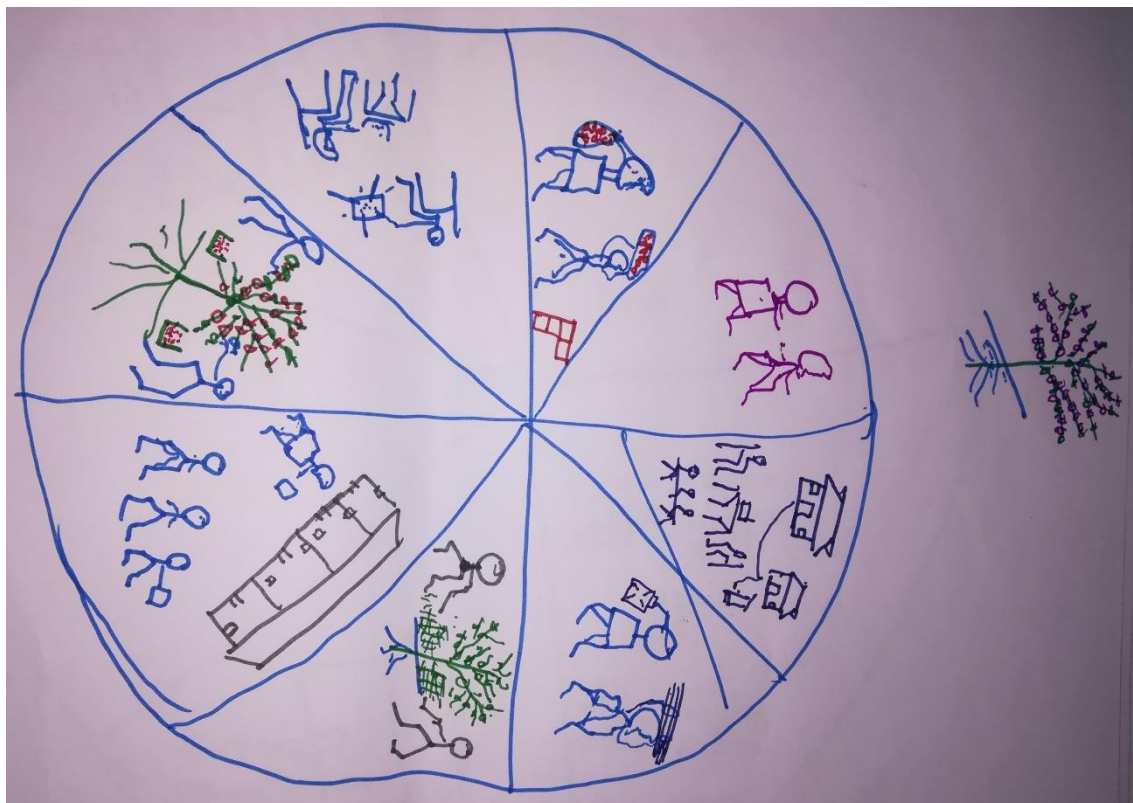
Organizations or the membership in organizations build a formal safety net that serves as a formal support consisting of rules and guidelines enabling the cooperation in a group. This facilitation of cooperation is important, because it serves as a common ground for diverse groups reducing the social, economic and cultural differences in groups. Moreover, explicitly the membership in organizations might be essential to gain access to certain rights and opportunities, such as access to education, health care and income.

Goal:

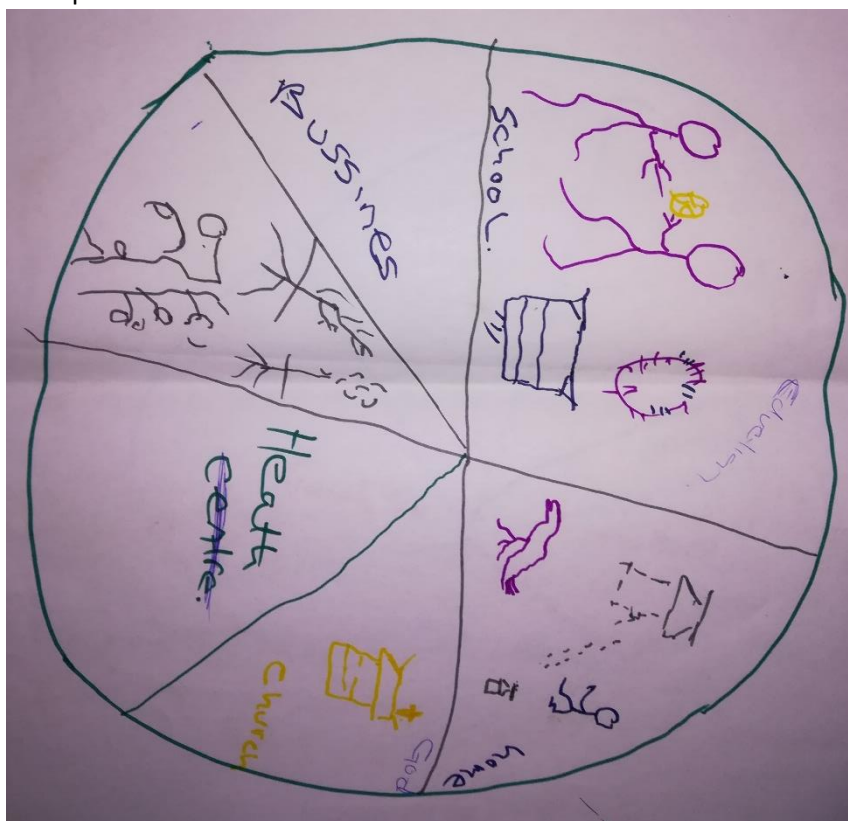
Assessment whether formal membership in co-operative creates secure environment and improves equality in a chosen co-operative. Focus on institutional security and formalized access to certain benefits.

Appendix 2: ID-circles (sample)

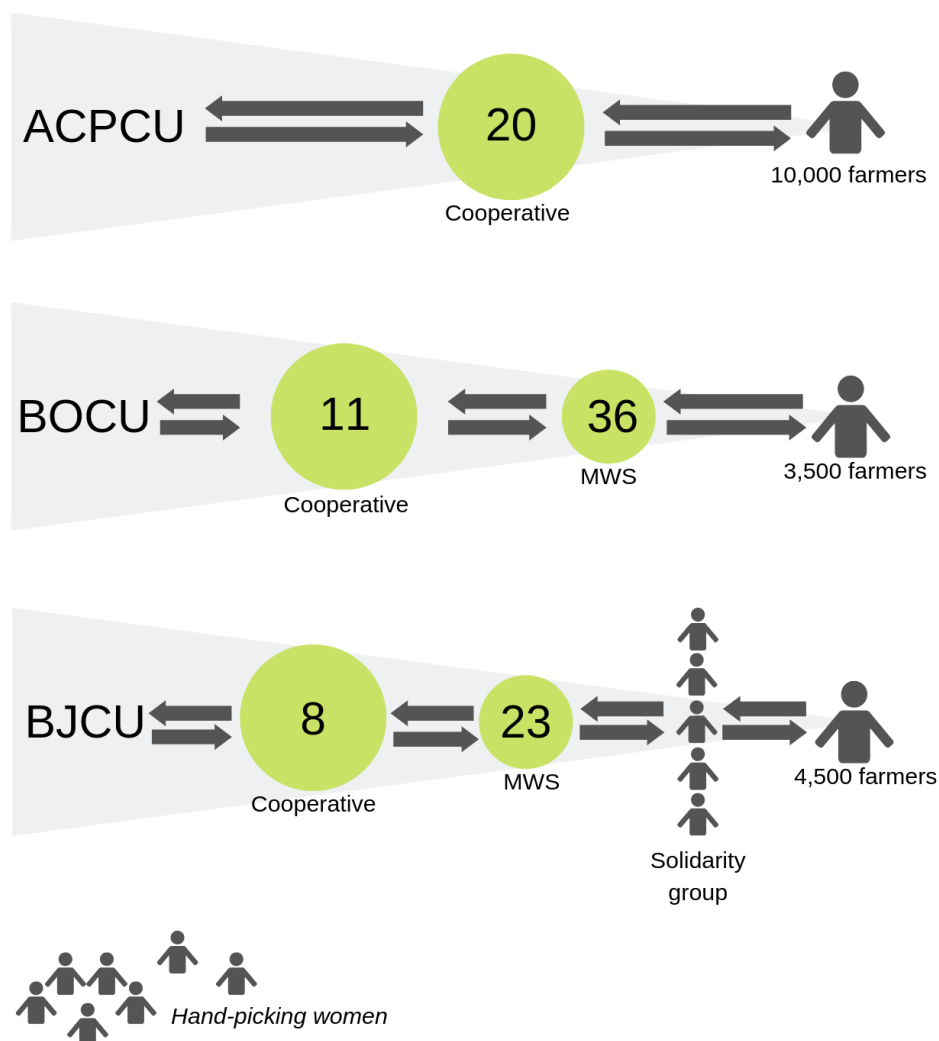
Example FGD 3:



Example FGD 5:



Appendix 3: Organigrams of selected unions



Appendix 4: Schematic overview data collection

Union	Co-operative	Method/name of transcription	No. of participants	Length of interview (hh:mm:ss)
BJCU	Mughete Co-operative	ID 1	7	00:27:44
		FGD 1	8	01:01:51
		Interview 1	1	00:19:50
		Interview 2	1	00:22:54
	Kanyatsi Co-operative	ID 2	6	00:30:33
		FGD 2	6	00:30:51
	Karughabira Co-operative	ID 3	13	00:31:53
		FGD 3	13	00:28:15
		Interview 3	1	00:12:38
		Interview 4	1	00:13:50
BOCU	Kinone Co-operative	ID 4	6	00:06:29 (partly recorded)
		FGD 4	6	00:49:36
		Interview 5	1	00:10:14
		Interview 6	1	00:12:45
	Kyondo Co-operative	ID 5	5	No recording, only notes
		FGD 5	5	00:40:28
		Interview 7	1	00:13:01
	Rwenzori Farmers Marketing Co-operative	ID 6	6	00:29:15
		FGD 6	6	00:52:00
		Interview 8	1	00:11:35
		Interview 9	1	00:09:56
ACPCU	Kabura Co-operative	ID 7	8	00:36:04
		FGD 7	8	00:53:51
		Interview 10	1	00:09:40
		Interview 11	1	00:12:41
	Kyeibanga Co-operative	ID 8	8	00:47:11
		FGD 8	8	00:54:28
		Interview 12	1	00:11:04
		Interview 13	1	00:13:40
	Nyebingo Co-operative	ID 9	9	00:44:19
		FGD 9	9	01:03:11
		Interview 14	1	00:10:38
		Interview 15	1	00:09:42