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Globalising Justice within Coffee Supply Chains? Fair Trade, Starbucks and the transformation of supply chain governance

KATE MACDONALD

ABSTRACT *This paper reviews a range of initiatives that attempt to transform the global institutional arrangements through which production and trade of coffee is organised and governed. Specifically, it examines the Fair Trade system, Starbucks' CAFÉ Practices Program, and a range of wider campaigning activities around issues of 'trade justice'. These initiatives are shown to have contributed to the empowerment of marginalised workers and producers in the global coffee industry, to the extent that they have complied with the following three conditions: promoting the acceptance of expanded responsibility for tackling disempowerment among relevant decision makers in the global North; strengthening institutional capabilities necessary for these responsibilities to be effectively discharged; and enabling marginalised groups themselves to exercise some control over processes of institutional transformation. However, these initiatives have typically been designed as discrete systems of 'supply chain' governance, which has limited their ability to advance those dimensions of worker and producer well-being that are shaped by a range of state and non-state actors beyond as well as within supply chain institutions. In theory this limitation could be overcome via appropriate allocation and co-ordination of partial and shared responsibilities across a plurality of relevant decision makers. In practice, however, the failure of these initiatives to develop either transparent means of defining the boundaries of partial responsibilities, or institutional modalities to enable their co-ordination, has significantly weakened their capacity to entrench empowerment principles throughout the governance system of the coffee industry as a whole. It is concluded that the development of such conceptual and institutional models will be necessary to enable both consistency and enforceability of empowerment outcomes, and thereby to ensure that principles of justice can be realised among workers and producers throughout the global coffee industry.*

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In recent years, a broad coalition of social groups has directed intense criticism towards the governance system that shapes existing relations of global production and trade, labelling this system as both distorted and unjust. Attempts to elaborate and operationalise such critiques to form a constructive agenda for 'globalising' poverty reduction and social justice have helped to stimulate the search for institutional and regulatory innovations within the institutional system through which global industries are governed, so that it more effectively promotes goals of poverty reduction and empowerment. Particularly prominent have been a range of initiatives that have emerged in the coffee industry, where many small producers and workers continue to live and work in conditions of extreme poverty.

This paper reviews a sample of such initiatives that are all attempting, in differing ways, to improve the well-being of marginalised participants in the coffee industry. Specifically, it examines the Fair Trade system, Starbucks' CAFÉ Practices Program, and a range of wider campaigning activities—clustered in particular around the Oxfam coffee campaign—that influence governance arrangements in the industry as a whole. It outlines the ways in which each of these initiatives has transformed the institutional arrangements through which global coffee production and trade are structured and governed, and evaluates effects on the well-being of small producers and workers participating within global supply chains.¹

More specifically the paper evaluates the extent to which the initiatives have empowered marginalised workers and producers. The term 'empowerment' refers here to a process through which marginalised individuals and groups are able to exercise a meaningful level of control over the progressive realisation of their own well-being.² Accordingly the paper evaluates the contribution of the above initiatives to improving the material conditions of marginalised individuals and groups, and to increasing the opportunities for them to promote their own well-being via self-directed processes. Most importantly it evaluates the extent to which principles of empowerment have been institutionalised within arrangements of economic governance,³ and thus systematically advanced within relations of production and trade throughout the industry.

Analysis draws on evidence collected during 10 months of field research, beginning in coffee producing communities in Nicaragua, and following transnational supply chains through to consumption sites in the global North. In total interviews were conducted with around 100 participants in the global coffee industry. Over two-thirds of the interviews were carried out during eight months of field research in Nicaragua. These were a mix of individual interviews and focus groups with workers, small producers and with a broad range of other participants in the Nicaraguan industry. A number of interviews were also conducted with industry participants in the USA and UK, including coffee traders, roasters, retailers and activists.

Power and disempowerment in the coffee industry

I begin here by identifying the major sources of disempowerment which are currently experienced by marginalised coffee workers and producers within

Nicaragua. Coffee production plays a central role in the Nicaraguan economy, accounting for 30% of Nicaragua's total export income, and there are very high levels of poverty among workers and producers in the sector.⁴ For the present purposes it is therefore an ideal case study of a specific production location and its connections to global coffee supply chains.

Before the implementation of the 'governance' initiatives examined by this paper, problems of disempowerment were experienced by both smallholder producers and by workers on larger plantations, with both groups being connected into 'conventional' supply chains (the structure of which is discussed below).⁵ Smallholder producers in the industry typically contend with low and unstable prices and incomes, compounded by lack of access to social infrastructure and services and, frequently, insecurity of land tenure.⁶ For workers the major problems are low wages and working conditions together with lack of access to social infrastructure and services. Both permanent and seasonal workers describe their experiences of long working hours, poor food and deteriorated housing and sanitation infrastructure on farms, lack of access to health and education services, substantial barriers to freedom of association, and in some cases systematic subjection to sexual harassment and other forms of maltreatment or abuse.⁷ For both smallholder producers and workers such problems are underpinned by a lack of control over the conditions of their material disempowerment, resulting from their lack of power within existing labour and market relations, and lack of sufficient resources to escape or transform the terms of these relations.

Within the current institutional structure of the global coffee industry, the multiple variables that influence these conditions are shaped by a wide range of government and non-state actors in both producing and consuming countries. On large-scale plantations, permanent workers generally live on farm property, and provisions for housing, food, health care and other forms of social infrastructure are determined at the discretion of farm owners and managers, as are most other working conditions. Temporary workers employed during the harvest live in surrounding communities or sleep in very basic accommodation on the farm; plantation owners and managers generally take little responsibility for their well-being beyond providing food and basic accommodation if needed during their period of employment.⁸

Prices and associated producer incomes are determined within the institutional structures of global markets and supply chains. While reference prices within conventional markets are set on the New York exchange, the 'farm gate' prices received by individual producers also depend on the distributions of profit margins along chains of intermediaries throughout global supply chains. In 'conventional' chains, accounting for around 90% of global coffee trade, buyers are separated from producers via the often lengthy, intermediate trading chains through which producers sell to exporters—either directly via extensive networks of collection centres in coffee producing regions, or indirectly via additional intermediaries. In recent years major roasting companies in consuming countries, along with some large international trading companies operating in producing countries, have captured increased shares of the income generated across the supply chain, while

farmer income has significantly declined.⁹ In speciality markets direct purchasing and outright pricing (independent of exchange prices) are much more common; buyers still exercise considerable control within these chains, but producers generally receive somewhat higher prices.

In these ways, the power to shape the incomes and working conditions of marginalised workers and producers is distributed widely among 'private' decision makers across transnational supply chains. However, the responsibility to shape outcomes decisively in accordance with recognised entitlements is assigned exclusively to the Nicaraguan government. Within the terms of the prevailing system of state-based governance, the Nicaraguan state should in theory have adequate power to discharge its designated responsibilities to protect and promote the well-being of marginalised producers and workers, by means of its formal control over labour regulation, social service and infrastructure provision, and wider economic and sectoral policies. In practice, however, the capacity of the Nicaraguan government to decisively shape outcomes in all these domains is very limited.

As a result of Nicaragua's low per capita income and large external debt, state provision of social infrastructure and services is constrained by severe resource limitations within the national budget as a whole. In the regulatory domain such fiscal constraints have been compounded by decisions regarding budget allocation that have assigned the Ministry of Labour the smallest budget of any ministry, leaving regional offices without even basic resources such as staff and transport to carry out inspections on coffee farms. Given Nicaragua's high dependence on foreign aid, the range of policy tools via which the government can shape rural development processes has been further constrained by external pressure to comply with orthodox policy prescriptions involving broad-based liberalisation policies.¹⁰ As in many other countries, this has led to a dramatic scaling down of state-provided rural credit, curtailment of technical assistance services and liberalisation of both input prices and foreign and domestic output markets.¹¹

These internal and external factors impose substantial constraints on the capacity of the Nicaraguan government to exert decisive influence over the well-being of both workers and producers by means of centralised policy interventions. While the government retains partial control over some dimensions of their well-being, control over key outcomes has become highly fragmented. Control is distributed across a broad range of state and non-state decision makers within global supply chains, and across a range of local and international actors that contribute to the shaping of wider processes of rural development in Nicaragua. Consequently a structural disconnect has developed between distributions of responsibility and control, so that actors assigned the responsibility to defend entitlements of marginalised groups lack the ability to do so.

When decision makers wield control without responsibility, this manifests itself as a problem of 'accountability deficits' within the prevailing governance system.¹² Such problems are further complicated by the plurality of relevant decision makers, each of whom wields only partial control, and thus bears only partial responsibility for outcomes. Development of

accountability mechanisms under these conditions would require some means of disaggregating responsibilities between relevant decision makers and also, where necessary, means of co-ordinating those decision making processes that can interact in affecting workers' and producers' well-being. The current plurality of unaccountable power gives rise to a problem I refer to as 'structural disempowerment', in which marginalised workers and producers find themselves unable to advance processes of empowerment either via autonomous control over requisite resources and opportunities or via their ability to make claims on external decision makers to accept a share of the responsibility for promoting their well-being.

The transformative challenge: Fair Trade as an 'alternative' institutional model

The emergence of the Fair Trade model within the global coffee industry has been grounded in an explicit critique of the prevailing governance system within this industry. This alternative normative and institutional model is intended to 'short circuit' the perceived injustice of the existing system, and thereby to empower marginalised actors within transnational relations of production and trade.¹³ At the core of the system are its trading activities, which create 'alternative' supply chain systems linking producer co-operatives to not-for-profit Alternative Trading Organisations based in consumer countries. According to the current rules of the Fair Trade system, inclusion in the system is limited to smallholder producers organised within democratic co-operatives; workers on large coffee plantations are therefore not able to participate. In Nicaragua roughly 15% of the country's coffee is grown by producers within fair-trade-certified co-operatives.¹⁴

This 'alternative' institutional system seeks to internalise particular 'social' norms within the institutions of global production and trade, and thereby to promote 'public' goals of fairness and social justice via what are conventionally regarded as 'private' institutional sites through which production and trade are organised. While much marketing of certified Fair Trade products tends to focus on the principle of a 'fair price' for producers,¹⁵ the Fair Trade system also attempts to entrench principles of democratic decision making and social and environmental sustainability across all stages of the supply chain.

Redefining responsibilities within transnational relations of production and trade

The capacity of the Fair Trade system to empower marginalised producers rests fundamentally upon its ability to mobilise concern among Northern consumers for problems of global poverty, and to convince consumers to accept some responsibility for tackling this problem by purchasing Fair Trade products. To this end Fair Trade marketing and advocacy seeks to politicise transnational relations of production and exchange. It challenges the established view of production and trading relationships between

Northern consumers and marginalised producers as entailing anonymous and morally unproblematic acts of voluntary economic exchange. Instead, it 're-frames' their nature and significance as representing power- and value-laden relationships across space, thus modifying prevailing understandings of the structure of social and political interconnectedness in a global economy, and introducing an associative or relational way of thinking about relationships of social reciprocity and obligation.¹⁶

To some extent the trading activities undertaken within Fair Trade supply chains exert a directly transformative influence on prevailing understandings of responsibilities among Northern populations, by making use of 'embedded information' in packaging and marketing to communicate political messages to Northern consumers.¹⁷ However, because of the extremely 'blunt' nature of marketing mechanisms such as labels and slogans as means of communicating information about complex, multidimensional social issues, expansion of the range of transnational responsibilities recognised by actors in the global North has required the construction of a transnational institutional architecture to facilitate 'deeper' and more intensive forms of social interaction and communication.

Such institutional architectures have been gradually constructed via complementary interactions between the Fair Trade system itself and a broader range of advocacy and grassroots activities around the issue of 'trade justice', many of which were co-ordinated within Oxfam's global 'Make Trade Fair' campaign, launched in 2001. The core activities of the Fair Trade system build financially self-sustainable and relatively durable institutional structures along the transnational boundaries of its trading relations, thus creating a central institutional 'skeleton' with which other actors and organisations can then engage. At consumption sites time-bound and largely network-based advocacy activities such as the Make Trade Fair campaign then promote the creation of more durable coalitions and movements that continue to operate independently following the completion of initial campaigns. The Oxfam coffee campaign was particularly notable in this respect, spawning a range of more durable organisational structures. These include United Students for Fair Trade—built out of Oxfam America's CHANGE Leader Initiative—and the Global Alliance for Coffee and Commodities, which is a transnational producer-led coalition initiated as part of Oxfam's coffee campaign. The latter group is now led by a permanent secretariat based in Honduras, and continues to campaign on issues of trade justice in the coffee industry.

These free-standing 'organisational architectures' are able to achieve substantial multiplier effects in their promotion of new norms of consumer responsibility, by 'plugging in' to existing institutional infrastructures at sites of consumption such as neighbourhood and municipal organisations, schools, universities, churches and wider informal social and civic networks. These existing institutions provide durable communicative structures through which information and resources transmitted by the Fair Trade system and associated transnational networks can be diffused more widely among potential Fair Trade supporters at consumption sites. Relatively 'thick' forms

of transnational communication have been enabled in this way via activities such as visits of Fair Trade producers to Northern schools, universities and local communities as part of organised ‘speaker tours’; through the integration of Fair Trade educational materials into school curricula; and by the use of communicative structures within pre-existing civic networks to diffuse information and ideas regarding Fair Trade and wider issues of global economic justice. In the USA the Interfaith Trading Initiative actively seeks to ‘use pre-established channels of communication for fair trade work’,¹⁸ distributing relevant information about Fair Trade via existing newsletters, websites and other materials that are routinely used for communicating with parishioners. In the UK the Fair Trade towns, universities and workplaces initiative has performed a similar role, serving to create wider networks that distribute not only Fair Trade coffee, but also information and ideas about its moral significance. Finally, the use of mainstream media has remained an important strategy through which Fair Trade advocates have promoted ‘thicker’ forms of communication around the Fair Trade agenda.¹⁹

Building new capabilities within the system of supply chain governance

In addition to redefining perceived, transnational responsibilities of Northern consumers, the institutional architecture created within the Fair Trade system has enhanced institutional capacity to directly discharge these responsibilities.

First, the transnational reach of the Fair Trade system enables a directly redistributive function to be performed,²⁰ as higher prices paid by Northern consumers for Fair Trade coffee translate directly into increased income for Southern producers.²¹ Overall resource transfers via the Fair Trade system have been significant, with transfers from US consumers to Southern coffee farmers resulting in additional farmer income of an estimated \$70 million from 1998 to 2005.²² Similarly data on income differentials between coffee farmers selling into Fair Trade markets and those connected to conventional buyers suggests that access to Fair Trade markets leads to significant, albeit modest, improvements in producer income; drawing on survey data collected in Nicaragua, one study estimates an average household income differential of around 10%.²³

This additional income translates directly into the increased ability of producers to improve their homes, pay educational and other costs and invest in their farms.²⁴ According to producers in one Fair Trade co-operative: ‘The money increases the quality of life—you can see things in another light, and it makes you happy, with enough food, and other things . . . You can’t go to the pulperia²⁵ without money—the money is what wakes up the spirit of a person.’²⁶ The magnitude of such income differentials does, however, vary substantially as a function of price fluctuations on the New York exchange; of greater ongoing importance for promoting the well-being of smallholder producers is the income stability enabled by Fair Trade’s price floor mechanism. More stable incomes enable strengthened security of land tenure, reduced pressure at the household level for individuals to migrate in search of

wage income, and greater incentives for producers to invest both in increased farm productivity and in more environmentally sustainable production methods.²⁷

Stability is one important change—you are more secure that you are going to sell with more—the poor people don't save, we eat everything, so stability is important. If you are going to sell the coffee, you know the price.²⁸

The transnational institutions of the Fair Trade system also enable the provision to producer co-operatives of both financial support and assistance for technical and administrative capacity building. Such assistance is frequently provided by individual Fair Trade buyers, and in some cases by the Fairtrade Labelling Organisation's regional offices and Producer Business Unit.²⁹ The strengthening of producer co-operatives resulting from both direct support for organisational capacity building and ongoing access to markets paying sustainable prices often generates substantial 'multiplier effects', as strengthened producer organisations are then able to access additional resources from beyond the Fair Trade system. In some cases co-operatives engage in autonomous income-generating activities such as one Nicaraguan co-operative's purchase of a dry processing plant. In many cases co-operatives linked to the Fair Trade system gain access to skills, information and relationships with buyers that in turn enable expanded access to 'sustainable' and speciality markets beyond the Fair Trade system.³⁰

Strengthened organisational capabilities and increased access to external resources then enable producer organisations to perform a range of collective governance functions that the national government is failing to perform effectively, thus enabling these organisations to contribute directly to socially oriented rural development processes. Of particular importance in this regard has been the provision of credit and technical assistance to participating producers,³¹ as well as provision of some kinds of social services and infrastructure, such as repairing community roads, buying school utensils for the children of participating farmers, supporting improvements to housing, and in some cases building shared community infrastructure like health and education facilities. The performance of such functions is often directly supported by the ability of strengthened producer co-operatives to access resources from buyers, NGOs and in some cases the Nicaraguan government, in support of specific social projects or investments such as educational scholarships and women's micro-credit.³² While such interventions primarily benefit co-operative members, some health, education, community infrastructure and environmental interventions also produce positive 'spill-overs' for non-members.³³

In all these ways the Fair Trade system has enabled marginalised Southern producers and 'responsible' Northern consumers to build co-operative institutional structures with transnational reach, which empower producers to work autonomously towards the progressive realisation of core dimensions of their well-being. However, the focus of the Fair Trade system on transforming governance *within* the institutional boundaries of transnational

supply chains has limited its ability to confront effectively those dimensions of disempowerment that continue to be shaped in important ways by the decisions of actors beyond these institutional boundaries.

Projects undertaken by producer co-operatives and their Northern supporters are frequently able to contribute in *partial* ways to promoting 'structurally' determined dimensions of well-being, such as by providing access to social infrastructure and services, and income earning opportunities beyond the coffee sector. However, power to influence such broader social conditions continues to be shared among a wide range of actors beyond as well as within the Fair Trade system; these actors include governments, donors and a range of non-state entities involved in processes of rural development. The ability of the Fair Trade system to achieve substantive advances in such dimensions of producer well-being therefore remains limited. This problem is widely recognised among the leaders of Fair Trade co-operatives, whose efforts to promote producer empowerment are frequently frustrated by forces beyond their control: 'This is just too much for us to be trying to fix—it is the government who should be doing this. But when the government fails to respond to the need, you have to see what you can do.'³⁴

In the context of wider structural disempowerment, achieving more far-reaching improvements for participating small producers would require the systematic development of conceptual and institutional modalities to disaggregate and co-ordinate between actors within and outside the Fair Trade system partial or shared responsibilities for the promotion of many dimensions of producer well-being.³⁵ The strengthening of producer organisations has enabled co-operatives to have some limited engagement with government and with non-state actors involved in shaping processes of rural development, and there are some individual cases in which co-operative arrangements for the performance of specific services or functions have been established.³⁶ However, beyond largely *ad hoc* forms of external engagement that are initiated and undertaken by individual producer organisations, the contribution of the Fair Trade system to the development of institutions able to discharge 'shared responsibilities' in response to structural disempowerment has remained extremely limited.

Starbucks CAFÉ Practices: The 'responsible' corporation responds

Currently the Fair Trade system accounts for only around 1% of global coffee trade. In light of this very limited scope, the 'globalisation of justice' within the industry as a whole depends substantially upon the response of key corporate players to issues of trade justice. Starbucks' CAFÉ Practices Program, introduced as a pilot programme in 2001, is of particular significance given both the size and visibility of Starbucks within the global coffee industry,³⁷ and the scope of the programme's ambition to transform relations of production and trade throughout the company's supply chain.³⁸ While the emergence of the programme was in part a response to pressure placed on Starbucks during the late 1990s by activists demanding the introduction of a supply chain code of conduct and increased Fair Trade

purchases, the programme's development was also driven by the strategic demands of Starbucks' chosen business model. This required the pursuit of two central goals: on the sourcing side, the establishment of sustainable supplies of high quality coffee to meet the company's rapidly growing demand;³⁹ on the consumer side, the development of a systematic response to increasing consumer awareness and concern regarding both product 'origins' and social and environmental dimensions of production.

Participation in the CAFÉ Practices Program demands that suppliers meet minimum requirements for both quality and 'economic accountability'. This requires full traceability of coffee from individual producers to Starbucks, and also what Starbucks considers to be acceptable levels of 'equity' in distributions of profit across the supply chain. In addition to these core entry requirements, the programme promotes compliance with a range of socially and environmentally sustainable practices throughout all stages of the supply chain, encompassing the production, processing and trading of coffee. Compliance is promoted not via a regulatory code specifying and enforcing minimum standards,⁴⁰ but rather via an incentive system designed to promote progressive change, in which performance against specified standards of sustainable practices are rewarded by provision of preferential contracts and in some cases the payment of price premiums.⁴¹ Progress in meeting the criteria is documented via self-evaluations, and then independently verified by a range of independent monitoring organisations, co-ordinated by the San Francisco-based NGO Scientific Certification Systems.⁴²

Participation in the programme is open to producers of any size, although in Nicaragua Starbucks sources primarily through major trading companies such as Atlantic (ECOM Coffee Group) and CISA (Mercon Coffee Group), who then deal directly with individual producers, or in some cases with producer co-operatives. Although some attempts have been made to enable smallholder producers to participate in the programme, such efforts have been given little priority, and many co-operatives in Nicaragua report considerable difficulty selling their coffee through the programme.⁴³

*Reinforcing recognition of transnational responsibilities:
corporate responsibility in global supply chains*

By aiming progressively to institutionalise principles of social and environmental sustainability throughout Starbucks' supply chain, the CAFÉ Practices Program reflects the acceptance of increased corporate responsibility for the progressive improvement of key elements of worker and producer well-being. The specific supply chain practices developed in response to such responsibilities are, however, less extensive in many respects than those within the Fair Trade system. Producers generally receive lower prices from Starbucks than from Fair Trade,⁴⁴ and the failure of Starbucks to prioritise support for producer and worker organisation has significantly limited its ability to generate multiplier effects by harnessing wider resources and opportunities in support of sustainable rural development. In view of the substantive differences between the principles institutionalised in the two

systems, the tendency of Starbucks' marketing to obscure the distinction between its own system of supply chain governance and that of Fair Trade—a tendency for which it has been widely criticised—has the potential to 'water down' empowerment outcomes achieved at production sites by diverting consumer purchases from 'alternative' to corporate supply chains.

However, while in the short term such forms of 'brand competition' tend to generate competitive dynamics between Fair Trade and Starbucks, in the longer term the principles of relational and transnational responsibilities promoted by Fair Trade are positively reinforced by Starbucks. Its prominent in-store images and marketing around 'Commitment to Origins' reinforces recognition of both the interconnection and the responsibility of Northern populations to producers of goods and services they consume, thus amplifying through the infrastructure of Starbucks stores the general message of transnational connectivity and responsibility promoted by Fair Trade.

Providing incentives for learning and capacity building in institutions of supply chain governance

Having institutionalised the recognition of expanded corporate responsibilities for the social impact of supply chain practices, the CAFÉ Practices Program then contributes to both providing incentives for and facilitating capacity building within supply chains in ways that enable these responsibilities to be progressively discharged. Because Starbucks typically pays farmers significantly above market prices, the direct linkage of the programme to Starbucks' purchasing generates significant incentives for both exporters and producers to undertake the investments required to improve social and environmental practices throughout Starbucks' supply chain.

The 'carrot' of both preferential contracts and possible price premiums associated with the status of 'Preferred' or 'Strategic' Supplier has encouraged major exporters to undertake significant investments as a means of complying with the principle of 'economic accountability', which is a hurdle requirement for all suppliers participating in the CAFÉ Practices Program. Accordingly exporters have worked to strengthen internal systems that enable product traceability and price transparency throughout the supply chain, developing elaborate systems of documentation that enable Starbucks to access detailed information regarding both the identity of all farms linked into their supply chain and a broad range of variables relating to social and environmental practices on participating farms:

We have a list with photos of all the documentation on our computer, and we will give the list of all the producers to Starbucks for them to use as they wish... This information has all of the documentation that Starbucks asks for—each question they have, we answer. We have photos of the documentation. We answer yes, no, not applicable, with photos of the houses, *campamentos*, and so on.⁴⁵

Within intermediated coffee supply chains, the 'commodity' nature of the product means that sellers are generally considered 'both anonymous and

irrelevant',⁴⁶ and buyers are able to obtain information regarding only a narrow range of price and product quality characteristics of the coffee they purchase. Thus, while many buyers exercise substantial control over these price and quality variables, their ability to control social and environmental dimensions of the production process is negligible. In contrast, the strengthening of supply chain traceability enabled by the CAFÉ Practices Program gives Starbucks substantial control over a broad range of both social and environmental variables at the farm level. These increased institutional capabilities translate directly into the strengthened ability of Starbucks to discharge its newly accepted corporate responsibilities for promoting compliance with these standards throughout its supply chain.

The preferential contracts and price premiums offered by the CAFÉ Practices Program generate similar incentives for many individual producers as for exporters, with a number expressing the view that: '[the program] enables you to motivate yourself more, and make improvements for the workers... The program gives you an incentive to have a different vision of your relationship with the workers.'⁴⁷ As producers begin to engage positively with the programme, exporters then offer concrete forms of assistance to many participating farmers to help them carry out required changes on their farms. In particular, extension staff from the regional offices of major exporters have directly assisted many producers to plan and implement changes to a range of social and environmental practices. In some cases exporters have provided technical advice to producers regarding desirable modifications to environmental practices, and many producers have also been provided with extensive assistance in developing new documentation systems for their social and environmental practices, as well as plans, timelines and budgets for required improvements.

Access to both transformed incentives and concrete learning tools has set in motion ongoing, progressive changes to social and environmental practices at the level of individual farms. During the initial phase of the programme's implementation, following its formal establishment in 2002, a major focus has been on developing documentation systems and establishing baselines from which ongoing improvement can be evaluated. In some cases modest improvements to a range of social and environmental practices have already been undertaken or planned, with participating farmers reporting various changes to working conditions and social infrastructure, such as housing, food, washrooms and latrines, as well as improvements to environmental practices such as treatment of waste-water from wet mills and systems for managing the storage and use of chemicals. However, while some individual producers are investing in more extensive changes, such as increased access for farm workers to health and education, in most cases the improvements to worker well-being that have been achieved as a result of such changes have been minor.

Despite these gradual improvements to some dimensions of social and environmental practices on farms, the CAFÉ Practices Program as currently implemented is largely avoiding dealing with the 'hardest' and most sensitive dimensions of disempowerment within the plantation model of

production—in particular the issue of freedom of association for workers. It is widely reported that: '[The issue of] union organizations is very sensitive because of their popularity under the Sandinistas. For many, they would rather let this lie, and find other ways to get points.'⁴⁸ Additionally, there have been few attempts to develop modalities for engaging with external actors and institutions that exercise 'partial' control over important dimensions of (dis)empowerment. Some individual verifiers are interpreting criteria in ways that would require individual farmers to accept some degree of responsibility for wider problems. According to a representative of one Starbucks verifier:

If schools are not available in the region, you will still lose points. Sometimes large farms construct a school on the premises, and get a teacher from the Ministry of Education. Or they work with the exporter, and bring in equipment. We are looking for effort from the farmers, to make these things better. It is the same with medical care. If there is no access nearby, little by little it becomes the farmer's responsibility.⁴⁹

In general, however, there has been a lack of any systematic attempt to develop either guidelines for participants on appropriate and desirable forms of external engagement, or institutional vehicles through which such co-ordination could be realised. These deficiencies reflect the wider failure across all industry initiatives to address the problem of partial and shared responsibilities in the context of complex structural dynamics of disempowerment.

Further, the programme has failed to incorporate principles such as 'accountability' or 'empowerment' that would recognise the value of enabling affected workers and producers to exercise a share of control over the design and implementation of the programme. The initiative has been designed on Starbucks' terms as a private, discretionary initiative, and explicitly and unapologetically so. They are 'contributing positively to communities', but on their terms, as defined by them:

It is a corporate sourcing program for a corporation to reflect Starbucks values—how they do business... They are not public standards, but rather are buying requirements for a corporate client, and they reflect their values. It is not entirely closed, as Starbucks has consulted. But if they decide tomorrow to do something totally different, that is their prerogative, because it is their program.⁵⁰

In developing the program Starbucks has engaged in extensive forms of consultation with a range of stakeholders, including many of their strongest critics. However, participation in such consultations has generally not extended beyond producers and Northern NGOs, whose positive engagement with the programme and provision of constructive feedback is of most importance in enabling Starbucks to advance its own strategic goals in relation to the programme. In contrast, there has been virtually no participation by workers or their organisations in either developing or implementing key social standards, and the absence of even basic dissemination of information about the programme among workers has meant that very few

of them are even aware that it exists. The failure of Starbucks to build principles of accountability and empowerment into the programme, or even to recognise these principles as elements of ‘best practice’, has meant that, while the changes to supply chain practices which are being implemented in response to the programme are contributing in significant if modest ways to improved well-being of marginalised workers and producers, the programme in its current form is failing to advance principles of ‘empowerment’ in any but the most peripheral and indirect ways.

Interaction between initiatives: diffusing change within conventional supply chains

While the changes described above have brought about significant improvements to some dimensions of well-being among workers and producers who are linked directly to Starbucks or Fair Trade buyers, these two markets taken together account for only around 3% of global coffee trade. Because the majority of the world’s coffee is traded through conventional supply chains linked to the major corporate roasters, the contribution of these two initiatives to the ‘globalisation of justice’ within the industry as a whole has depended largely on their ability to leverage pressure for change beyond the boundaries of the specific ‘niche’ supply chains in which they are implemented. Yet there is evidence that Fair Trade, Starbucks and wider activist campaigns around agendas of trade justice have interacted in largely complementary ways to diffuse principles of ‘social sustainability’ across conventional coffee supply chains, and thereby to generate pressure for wider change.

As large roasters progressively lose market share to speciality and niche markets, they are subject to increasing market pressures to respond to rising concerns about labour and social issues in global supply chains. Such pressures are reinforced by the ‘demonstration effect’ of both Fair Trade and Starbucks, as the ongoing market success of both initiatives makes it increasingly difficult for other companies to argue—as they frequently have in the past—that the coffee chain is simply too long and complex for programmes of buyer responsibility to be commercially viable:

If there weren’t companies willing to take the lead, other companies just sit on their hands saying there is no solution. But with someone as visible as Starbucks, they realise that just talking about the problem is not enough to satisfy consumers.⁵¹

As companies therefore come under increased pressure to demonstrate greater ‘corporate responsibility’ in global supply chains, a range of activists campaigning on issues of trade justice in the coffee industry have mobilised the transnational reach of the Fair Trade system and associated coalitions of supporters to transform both incentives and ideas among key corporate decision makers.

During the Oxfam coffee campaign many participants within the European arm of the campaign focused on explicitly ‘communicative’ strategies as

primary means of transforming corporate behaviour. To this end they sought to engage strategically targeted corporate decision makers in ongoing processes of dialogue that aimed to communicate deeper understanding and concern regarding the problems faced by marginalised workers and producers. Intermon Oxfam characterise their organisation of workshops among industry leaders from roasters such as Kraft, Starbucks and Sara Lea as an explicit attempt to transform prevailing corporate norms of appropriate conduct through communication and dialogue, as well as to diffuse concrete tools to promote organisational learning:

What we are trying to do is to translate to the headquarters of the companies the reality that is experienced at the other end of the chain, so that they can understand this reality. It is an exercise at this level in communication. We want to communicate understanding of the social costs of low prices through dialogue—generating this knowledge as well as at the same time promoting the more concrete forms of action.

Both information and ideas supporting socially responsible supply chain practices have then been diffused more broadly via the ‘private’ associational spaces and communicative infrastructures underpinning the institutions of the global industry. Norms, discourses and concrete templates documenting industry ‘best practices’ have been widely distributed within the industry via conferences, trade fairs, trade journals and the general business press, as well as through informal interactions between industry participants. According to one industry figure: ‘the coffee community is like a big sewing circle, and people are always talking—and criticising... There is a wide exchange of ideas, though not always formally’.⁵² In some cases Starbucks has played a direct role in promoting the diffusion of principles and business models supporting corporate responsibility, via both active involvement in the National Coffee Association and the Specialty Coffee Association of America, and wider forms of industry advocacy.⁵³

Activists have also attempted to transform the supply chain practices of major roasters by building non-state mechanisms of accountability, in which market-based sanctioning mechanisms are deployed as means of enforcing activist demands for increased corporate responsibility within global supply chains. Strategies of this kind were pursued extensively by US members of the Oxfam Coffee campaign, in which a coalition of activists including Oxfam, Global Exchange and a range of socially responsible investment organisations targeted both Proctor & Gamble and Kraft—two of the ‘big four’ roasters that have been identified as key corporate decision makers controlling conventional coffee supply chains. Activists first mobilised constituencies of ‘responsible’ consumers and investors in the USA, where the roasters are headquartered, to demand that these powerful corporations accept their share of responsibility for problems of disempowerment within coffee producing communities. They then invoked threats of market-based sanctions in the form of reputational damage for companies failing to comply with activist demands, claiming that ‘Folgers may soon become synonymous with overseas exploitation unless the giant coffee company takes immediate

steps to guarantee a living wage for the families harvesting its coffee beans'.⁵⁴ According to one activist involved in the Oxfam campaign:

Especially in the US, there is a strong socially responsible investment community, and with Proctor and Gamble, this is the key thing that made them move. With Kraft in 2003 we had a shareholder resolution and an action outside the AGM, and they didn't like this at all. So we did a shareholder resolution at Proctor and Gamble, which gives them two to three months to react. So for them the bottom line was: what do we need to do to get this resolution away?⁵⁵

However, in the absence of a direct and traceable link between specific actions of corporate decision makers and specific forms of harm suffered by marginalised groups, sanctioning mechanisms based largely on general threats of reputational damage have proved to be very weak, since general demands that roasters 'do something' about problems in which they are partially implicated, but for which they are not solely responsible, are difficult to define or enforce. The resulting bluntness of these market-based accountability mechanisms therefore leaves a large discretionary space in which corporate decision makers can define the substance and scope of their responses to activist demands. While Proctor and Gamble responded to activist pressure by committing to purchase small volumes of Fair Trade coffee, Kraft decided instead to respond by purchasing Rainforest Alliance Certified coffee instead of Fair Trade. Other companies subjected to similar forms of pressure have likewise tended to respond in ways that best serve their own corporate interests, making highly discretionary selections from a wide range of items on the sustainable coffee 'menu': 'Often they see they have to do something, and address it, so then they look around for which schemes fit with their corporate values and business model'.⁵⁶

As increasing volumes of coffee have been sourced under the guidelines of such supply chain governance schemes, the principles shaping social practices at sites of production have gradually been 'ratcheted up', thus enabling the substance and scope of empowerment attained within conventional chains to be progressively increased. However, the substantial discretionary space that is open to corporate decision makers as they determine how to respond to blunt activist demands has allowed multiple systems of differing rules to coexist in 'parallel'.⁵⁷ Within the resultant multi-level system of supply chain governance, more extensive and consistent forms of empowerment have been achieved only by those participating within 'niche' supply chains, while improvements for those participating in conventional supply chains have remained extremely uneven in both substance and scope.

Conclusion

All the initiatives evaluated here have contributed—both individually, and in interaction with one another—to advancing the first dimension of empowerment: that is, the progressive realisation of worker and producer well-being via the realignment of responsibilities and control within the institutions of

supply chain governance. Both the Fair Trade system and wider advocacy and mobilisation-based initiatives, clustered in particular around the Oxfam Coffee Campaign, have also contributed to strengthening the control exercised by marginalised groups over the terms of such change. These initiatives have then interacted in complementary ways at key locations of corporate decision making in the global North, leading to the gradual diffusion of transformed principles of supply chain governance more widely throughout conventional supply chains.

However, empowerment of marginalised groups has been very uneven in both substance and scope, which has significantly limited the extent to which these initiatives have been able to 'globalise justice' within the governance institutions of the industry as a whole. This weakness has stemmed largely from the failure of all initiatives to develop stronger conceptual and institutional modalities for defining, co-ordinating and enforcing partial or shared responsibilities across the multiple decision makers who share control over the conditions of marginalised actors. At production sites this problem is reflected in the absence of co-operative structures that would enable decision makers within and beyond global supply chains to co-operatively discharge 'shared' responsibilities for relevant dimensions of disempowerment. At consumption sites the failure to disaggregate specific responsibilities between multiple corporate decision makers has weakened attempts to hold such decision makers accountable for their 'partial control' over (dis)empowerment outcomes.

In the context of entrenched 'structural disempowerment', in which control over the well-being of marginalised producers and workers is diffused across both territorial and public-private divides, the development of such modalities will probably prove necessary to enable both consistency and enforceability of empowerment outcomes, and thereby to ensure that principles of justice can be realised among workers and producers throughout the global coffee industry.

Notes

- 1 The restricted focus of this paper on Nicaraguan evidence limits the extent to which findings presented here can be directly generalised to the global industry as a whole. However, many of the dynamics documented and analysed in the Nicaraguan case have important implications for production sites elsewhere, and can be considered 'transferable' on a more selective and case-specific basis.
- 2 I take the term 'well-being' to encompass core dimensions of material welfare such as basic income and access to social services, as well as 'agency', understood as freedom and capacity to act in pursuit of perceived self-interest, both autonomously and in interaction with wider social actors and institutions. See Anthony Giddens, 'Structuration theory: past, present and future', in, Christopher GA Bryant & David Jary (eds), *Theory of Structuration: A Critical Appreciation*, London: Routledge, 1991, pp xi, 252; David, Held, *Democracy and the Global Order: From the Modern State to Cosmopolitan Governance*, Cambridge: Polity Press, 1995; Naila Kabeer, *Discussing Women's Empowerment: Theory and Practice*, Stockholm: Swedish International Development Cooperation Agency, 2000; and World Bank, *Empowerment and Poverty Reduction: A Sourcebook*, Washington, DC: World Bank, 2002.
- 3 I use the term 'governance' in a conventional manner to refer to a process whereby an organisation, society or social sub-system steers and co-ordinates itself. See James N Rosenau, 'Governance in a globalizing world', in David Held & Anthony G McGrew (eds), *The Global Transformations Reader: An Introduction to the Globalization Debate*, Cambridge: Polity, 2000; and Jan Aart Scholte, 'Civil society and democracy in global governance', *Global Governance*, 8, 2002, pp 281–304.

- 4 See Karla Utting-Chamorro, 'Does fair trade make a difference? The case of small coffee producers in Nicaragua', *Development in Practice*, 15 (3–4), 2005, pp 584–599.
- 5 Both workers and smallholder producers face problems as a result of the terms of their participation in the global coffee industry, but the nature of these problems differs in many respects between these two 'categories' of marginalised groups. I therefore frequently distinguish them from one another in the analysis presented below. In practice, however, the distinction between these categories at the level of individual households is often blurred, since many smallholder producers or their household members commonly work as wage labourers on larger farms during periods when their own production fails to generate sufficient food and income to support the family. Christopher Bacon, 'Confronting the coffee crisis: can Fair Trade, organic and speciality coffees reduce small-scale farmer vulnerability in northern Nicaragua?', *World Development*, 33 (3), 2005, pp 497–511; and Benjamin Davis & Marco Stampini, *Pathways Towards Prosperity in Rural Nicaragua; or Why Households Drop in and out of Poverty, and Some Policy Suggestions on How to Keep Them Out*, Pisa: FAO and Scuola Sant'Anna, 2002.
- 6 Jon Jonakin, 'The impact of structural adjustment and property rights conflicts on Nicaraguan agrarian reform beneficiaries', *World Development*, 24 (7), 1996, pp 1179–1191.
- 7 Pedro Viskovic Cespedes & Fair Trade Assistance, *Fair Trade Impact: The Nicaraguan Case*, Managua: American Consulting Group, 2002; and MIFIC, *El Café en Nicaragua 2005*, Managua: Ministerio de Fomento Industria y Comercio, 2005.
- 8 Author interviews with members of coffee growing communities in Matagalpa, Nicaragua (November and December 2004). See also Christopher Bacon, 'Confronting the coffee crisis: Nicaraguan farmers' use of cooperative, Fair Trade and agroecological networks to negotiate livelihoods and sustainability', PhD thesis University of California, Santa Cruz, 2005.
- 9 An extensive and widely cited literature has developed in recent years analysing the industrial organisation of conventional coffee supply chains, and distributions of 'rent' between differently positioned participants in these chains. See, for example, Gary Gereffi & Miguel Korzeniewicz, *Commodity Chains and Global Capitalism*, Westport, CT: Praeger, 1994; Peter Gibbon, 'Global commodity chains and economic upgrading in less developed countries', 2000, at http://www.cdr.dk/working_papers/wp-00-2.pdf; Richard Hampson, '2000: the year of self-evaluation', *Tea and Coffee*, 07/00, 2000; Kris Herbst, 'Revolution in a coffee cup: waking the sleeping consumer giant', *Changemakers*, 1 March 2001; Stefano Ponte, 'The latte revolution? Winners and losers in the re-structuring of the global coffee marketing chain', *CDR Working Paper 01.3*, Centre for Development Research, Copenhagen, 2001; and John M Talbot, 'Where does your coffee dollar go? The division of income and surplus along the coffee commodity chain', *Studies in Comparative International Development*, 32 (1), 1997, pp 56–91.
- 10 Republica de Nicaragua, *Informe Liquidación Del Presupuesto General De La Republica 2005*, Managua: Direccion General de Presupuesto, 2005.
- 11 Davis & Stampini, *Pathways Towards Prosperity in Rural Nicaragua*.
- 12 I use the term 'accountability' to refer to a property of an institutionalised relationship in which the exercise of power by a given actor is constrained subject to some requirement of responsiveness to those over whom their power is exercised.
- 13 The definition of Fair Trade articulated by the movement itself can be found at <http://www.eftafairtrade.org/pdf/FairTDAP.pdf#search=%22FINE%20fair%20trade%20definition%22>.
- 14 See Christopher Bacon, 'Participatory action research and support for community development and conservation: examples from shade coffee landscapes in Nicaragua and El Salvador', *Research Brief #6*, Center for Agroecology and Sustainable Food Systems, University of California, Santa Cruz, 2005.
- 15 The certified Fair Trade system (based around the Fairtrade Labelling Organisation) guarantees that producer co-operatives receive a minimum of \$1.26 per pound for non-organic beans and \$1.41 for organic beans, plus an additional 'social premium' of five cents per pound.
- 16 Catherine Dolan, 'Fields of obligation', *Journal of Consumer Culture*, 5 (3), 2005, pp 365–389; Martha Finnemore & Kathryn Sikkink, 'International norm dynamics and political change', *International Organisation*, 52 (4), 1998, pp 887–917; Laura Reynolds, 'Consumer/producer links in fair trade coffee networks', *Sociologia Ruralis*, 42 (4), 2002, pp 404–424; and Samuel Scheffler, *Boundaries and Allegiances: Problems of Justice and Responsibility in Liberal Thought*, Oxford: Oxford University Press, 2001.
- 17 Peter Leigh Taylor, 'In the market but not of it: Fair Trade coffee and Forest Stewardship Council certification as market-based social change', *World Development*, 33 (1), 2005, pp 129–147; and Reynolds, 'Consumer/producer links in fair trade coffee networks'.
- 18 Author telephone interview with representative of Interfaith Trading Initiative, September 2004.
- 19 April Linton, Cindy Chiayuan Liou & Kelly Ann Shaw, 'A taste of trade justice: marketing global social responsibility via fair trade coffee', *Globalizations*, 1 (2), 2004, pp 223–246.
- 20 See, for example, Fabrizio Adriani & Leonardo Becchetti, 'Fair trade: a "third generation" welfare mechanism to make globalisation sustainable', *Working Paper No 62*, Centre for International Studies on Economic Growth, 2004; and Mark Leclair, 'Fighting the tide: alternative trade organisations in the era of global free trade', *World Development*, 30 (6), 2002, pp 949–958.

- 21 See René Mendoza, *La Paradoja Del Café: El Gran Negocio Mundial y la Peor Crisis Campesina*, Managua: Instituto de Investigación y Desarrollo Nitlapán–UCA, 2002.
- 22 Transfair USA, *2005 Fair Trade Almanac*, Oakland, CA: Transfair USA, 2006.
- 23 See Cespedes & Fair Trade Assistance, *Fair Trade Impact*. This figure refers to the actual difference in household income between producers participating in Fair Trade-certified co-operatives and those unconnected to Fair Trade markets. The figure therefore incorporates the 'dilution' effects created by both sale of some coffee to non-Fair Trade markets, and the allocation of a share of the Fair Trade price differential to fund collective governance functions performed by producer co-operatives.
- 24 Christopher Bacon, 'Resistiendo la crisis de café: midiendo el impacto de las cooperativas, comercio justo y café organico en las familias asociadas', in Bacon, 'Resumen de los resultados preliminares de la tesis doctoral de Chris Bacon', unpublished.
- 25 Small neighbourhood grocery store.
- 26 Author interview with members of a Fair Trade co-operative, San Ramon, Matagalpa, November 2004.
- 27 Bacon, 'Confronting the coffee crisis: can Fair Trade, organic and speciality coffees reduce small-scale farmer vulnerability in northern Nicaragua?'; Cespedes & Fair Trade Assistance, *Fair Trade Impact*; Mendoza, *La Paradoja Del Café: El Gran Negocio Mundial y la Peor Crisis Campesina*; René Mendoza & Johan Bastiaensen, 'Fair trade and the coffee crisis in the Nicaraguan segovias', *Small Enterprise Development*, 14 (2), 2003, pp 36–46; and Utting-Chamorro, 'Does fair trade make a difference?'.
- 28 Author interview with members of a Fair Trade co-operative, San Ramon, Matagalpa, December 2004.
- 29 www.flocentroamerica.net; www.fairtrade.net. See also Douglas Murray, Laura Reynolds & Peter Leigh Taylor, 'One cup at a time: poverty alleviation and fair trade coffee in Latin America', Colorado State University, 2003, at www.colostate.edu/Depts/Sociology/FairTradeResearchGroup; and Utting-Chamorro, 'Does fair trade make a difference?'.
- 30 Leigh Taylor, 'In the market but not of it'; and Alex Nicholls & Charlotte Opal, *Fair Trade: Market Driven Ethical Consumption*, London: Sage, 2005.
- 31 See Cespedes & Fair Trade Assistance, *Fair Trade Impact*.
- 32 See, for example, MIFIC (ed), *Informe de Logros de Proyectos de Inversion Publica*, Managua: MIFIC, 2005; Republica de Nicaragua, 'Comunicado', Managua, Casa Presidencia, 6 August 2003; Nicholas Hoskyns, 'Fairtrade, gender and grassroots action—the experience of Nicaraguan coffee cooperatives', paper presented at the conference on 'Gender in Global and Regional Trade Policy: Constrasting Views and New Research', University of Warwick, 5–7 April 2006; and Utting-Chamorro, 'Does fair trade make a difference?'.
- 33 Nicholls & Opal, *Fair Trade*.
- 34 Author interview with representative of the second level co-operative Soppexca, Jinotega, September 2004.
- 35 See, for example, Christian Barry, 'Applying the contribution principle', in Andrew Kuper (ed), *Global Responsibilities: Who Must Deliver on Human Rights?*, New York: Routledge, 2005; Joel Feinberg, 'Collective responsibility', *Journal of Philosophy*, 65 (21), 1968, pp 674–688; Robert Goodin, 'Apportioning responsibilities', *Law and Philosophy*, 6, 1987, pp 167–185; Michael J Green, 'Institutional theories of justice and responsibility', paper presented at the Global Justice Seminar, 2001; Iris Marion Young, 'Responsibility and structural injustice', at <http://socpol.anu.edu.au/YoungRespStrlnj6.05.doc>, 2004; and Larry May, *Sharing Responsibility*, Chicago, IL: University of Chicago, 1996.
- 36 Author interviews with representatives of co-operative organisations Soppexca, Cafenica and Cecocafen, Jinotega and Matagalpa, August–December 2004.
- 37 Starbucks commands a market share of roughly 2% of the global market, and around 20% of the US speciality coffee industry. See www.organicconsumers.org/starbucks/coffback.htm.
- 38 14.5% of Starbucks coffee purchases were sourced under CAFÉ Practices in 2004, and 24.6% in 2005, with this target doubled for 2006. Starbucks, 'Beyond the cup', in *Corporate Social Responsibility 2005 Annual Report*, Seattle: Starbucks, 2005.
- 39 Karen Foley, 'Deconstructing relationship coffee: how this emerging business model fits into the industry', *The Specialty Coffee Chronicle*, May/June 2004; and Allison Linn, 'Starbucks smelling the coffee', *Miami Herald*, 17 April 2004.
- 40 There are, however, minimum required standards with regard to wages, overtime, child labour, discrimination and forced labour.
- 41 For details on the system of rewards, see Starbucks, 'Beyond the cup'; and http://www.scs certified.com/csrpurchasing/starbucks_documents_participants.html.
- 42 See http://www.scs certified.com/csrpurchasing/starbucks_documents_verifiers.html.
- 43 Author interviews with representatives of Cecocafen, Soppexca and Cafenica co-operatives, Matagalpa and Jinotega, September–December 2004. See also Karla Utting-Chamorro, 'The application of an

impact assessment framework for responsible trade initiatives: a case study from Fair Trade coffee in Nicaragua', forthcoming.

- 44 According to interviews with both Starbucks and a number of their suppliers, Starbucks is paying prices that are higher than average in the speciality industry as a whole, but in most cases they are still lower than fair trade prices.
- 45 Author interview with representative of Exportadora Atlantic, Matagalpa, November 2004.
- 46 Author interview with representative of Mercon Coffee Group, New Jersey, September 2004.
- 47 Author interview with producer supplying Starbucks, Matagalpa, November 2004.
- 48 Author interview with representative of Technoserve, Managua, November 2004.
- 49 *Ibid.*
- 50 Author interview with representative of Scientific Certification Systems, San Francisco, December 2004.
- 51 Author interview with representative of Specialty Coffee Association of America, Los Angeles, December 2004.
- 52 Author interview with representative of Scientific Certification Systems, San Francisco, December 2004.
- 53 US/Guatemala Labor Education Project, 'Update and analysis of Starbucks' progress towards implementing a code of conduct', 1998, at <http://www.usleap.org/Coffee/SBCampaign/sbanalysis98.html>.
- 54 Global Exchange, 'Socially responsible investors will attend Procter & Gamble shareholder meeting to demand that Folgers guarantees a living wage for families harvesting its coffee beans', press release, 2001, at <http://www.globalexchange.org/campaigns/fairtrade/coffee/news2001/gx100801.html.pdf>.
- 55 Author interview with past staff member of Oxfam UK, Oxford, August 2004.
- 56 Author interview with representative of Rainforest Alliance, New York, September 2004.
- 57 Ken Abbott & Duncan Snidal, 'Nesting, overlap and parallelism: governance schemes for international production standards', memo for Alter-Meunier Princeton Nesting Conference, 2006, at <http://www.princeton.edu/~smeunier/Abbott%20Snidal%20memo.pdf>.