



## **Private Agri-food Standards: Contestation, Hybridity and the Politics of Standards**

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### **Introduction**

Standards are an omnipresent yet generally taken-for-granted part of our everyday life (Higgins and Larner, 2010a; Timmermans and Epstein, 2010; Busch, 2011). Until recently, standards within the agri-food sector were typically dismissed (if thought of at all) by social scientists as rather benign, technical tools, primarily of interest to specialists concerned with facilitating markets and trade. Over the past decade, however, this assessment has changed considerably and many agri-food scholars now view standards as a useful entry point for analysing and understanding our social and material world. The degree of interest today is reflected in the fact that our call for papers on private agri-food standards attracted so many high-quality submissions that we are publishing this special issues in two parts.<sup>1</sup> In part, this shift in interest reflects the influence of science studies and its concern with studying 'mundane' and taken-for-granted objects and practices (Higgins and Larner, 2010b). Here scholars take inanimate objects seriously, to understand, for example, how non-human actors such as standards allow humans to 'act at a distance' (Latour, 1987), thereby ordering relations across time and space. Many agri-food researchers are also concerned with the rise of private food standards developed by global retailers and non-government organizations, including understanding the role that these standards might play in coordinating and governing production and consumption relations within the context of globalization (Giovannucci and Ponte, 2005; Hatana-ka et al., 2005; Mutersbaugh, 2005; Tallontire et al., 2011).

Within this context, agri-food researchers have focused on standard-makers as well as the nature and implications of private forms of governing and regulatory relations within the context of global trade. Scholars are grappling with a variety of new social, political and normative questions, whose answers, they believe, are increasingly important for understanding our heterogeneous world. For example, who is included or excluded in the standard-setting process? How are the benefits and burdens of standards distributed? In what way are trust, accountability and legitimacy created? How are conflicts negotiated and reconciled? What and whose values are reflected in the standards? How do standards act to make some concerns

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visible and others invisible? Below we elaborate on the rise in private agri-food standards as well as approaches that scholars have taken to study them. First, we define what is meant by the term standards.

Specifically, standards are agreed-upon criteria or rules intended to measure a product, person or service's performance or specific characteristics (e.g. the amount of pesticide residue on apples) or the process through which the good was produced (e.g. an organic apple) (Nadvi and Waltring, 2004). By providing a common language and rules of measurement, standards are used to classify and categorize in order to create uniformities and equivalences between people and things. Through this process it is argued that relationships are ordered and disciplined across time and space: 'made to work' despite the heterogeneity that exists between cultures, languages, political systems, and markets (Busch, 2000; Higgins and Larner, 2010b; Timmermans and Epstein, 2010; Busch, 2011; Ponte et al., 2011).

Public standards are understood as those established by government authority and embedded in laws and regulations. Private standards are often referred to as voluntary because compliance is enacted through the market and not via public authority. In addition, where market signals or drivers do not exist, or are weak, companies may choose to use private standards to protect their reputation or show to the public that they are a socially and/or environmentally responsible business. There may also be overlap between the two where public regulations incorporate private standards (for example, see Fisher and Sheppard in this issue who focus on public officials' incorporation of fair-trade standards in procurement practices) and where private standards incorporate public standards (e.g. public food safety standards are often incorporated into private food safety certification systems, such as ISO 22000).

Formal standards are tied increasingly to a hierarchical monitoring and compliance infrastructure that includes standard setting, certification (often through third-party certifiers), and accreditation. Loconto and Busch (2010) refer to this as the tripartite standards regime (TRS). With the expansion in standards and standard-makers, third-party certifiers (TPC) emerged to assess, evaluate and certify safety and quality claims against a particular set of standards and compliance procedures (Hatanaka et al., 2005). Similarly, as the number of certifiers and certifications expanded, accreditation organizations were developed to standardize TPC and regulate their practices (Loconto and Busch, 2010). This rise in the 'control of control' is intended to promote self-regulation in the management of risk (Power in Campbell et al., 2006) as well as to help stabilize networks through the creation of trust and legitimacy (Loconto and Busch, 2010).

### **The Rise of Private Standards**

Within the agri-food sector, standards are part of the institutional infrastructure that coordinates the production and distribution of agricultural products. Until the 1990s, bulk commodities, such as grain, cotton and cocoa, dominated world trade. To facilitate the creation of such commodity markets, reduce transaction costs and increase market efficiency public standards were developed. Here the focus of attention was on product standards (e.g. pesticide residues, colour, moisture content), which could easily be measured and would ensure uniformity and consistency (Ransom, 2007; Daviron and Vagneron, 2011).

However, over the past two decades a confluence of forces have challenged this paradigm, creating new opportunities for non-state actors, including food retail-

ers, business associations, non-governmental organizations, and multi-stakeholder groups, to develop standards and use them, together with labels and certification systems, to accomplish a range of objectives. These drivers include, for example, the expansion of global value chains in the wake of the establishment of the World Trade Organization (WTO), the rise of neo-liberal economic and social policies, the consolidation of food retailers, consumer concerns about food safety and quality, and activist concerns about corporate social responsibility within the context of globalization (Busch and Bain, 2004; Lawrence and Burch, 2007). Proponents of private standards argue that within this changing economic and political climate the nation state alone was no longer capable – or willing – to regulate the behaviour of businesses (Giovannucci and Ponte, 2005).

As the importance and promulgation of standards has increased so has scholarly interest in who develops and controls standards and for what purpose. Influenced by frameworks such as global value chain analysis (GVCA), scholars argue that power within the market has shifted from producers and manufacturers to retailers (Reardon et al., 2003; Henson and Reardon, 2005; Bair, 2009). Mammoth food retailers, such as Tesco in the UK or Walmart in the US, have benefited from the changes described above and are using their oligarchic position in the marketplace, together with their ability to source products from around the globe, to establish themselves as the primary gatekeeper to consumer markets.

Researchers utilizing a GVCA framework have been particularly concerned with understanding the distributional effects of retailer-led standards and their implications for power and inequality, especially for small-scale producers in developing countries (Dolan and Humphrey, 2000; Freiberg, 2004; Ransom, 2011) and to a lesser degree farm workers and women (Bain, 2010; Prieto-Carrón and Larner, 2010). Here, a focus on governance is viewed as valuable for revealing the social relations inherent in the production of commodities (Guthman, 2009). The concept of governance focuses our attention on understanding the tools, techniques and activities, such as standards and audits, that food retailers utilize to influence and coordinate production and consumption within the value chain (Higgins and Larner, 2010b; Tallontire et al., 2011). For example, retailers use standards to shape the division of labour within the agri-food system, which has important implications for how financial, material, and human resources, as well as costs, risks and rewards, are distributed (Ponte and Gibbon, 2005).

NGOs have also emerged as important actors in setting standards and shaping the governance of global value chains (Barrientos and Dolan, 2006). Media and activist exposés have drawn public attention to examples of negligent behaviour, such as the use of child labour, by suppliers to the major retailers. Recognizing that the brand name and corporate reputation of retailers is vulnerable to such negative campaigns, NGOs have pressured – or worked with – retailers to establish standards and certification systems designed to minimize the threat of liability and scandal for retailers while enhancing the social and environmental performance of actors throughout the value chain (Barrientos and Dolan, 2006; Fuchs et al., 2009). In addition, NGOs, have sought to challenge what they perceive as the destructive environmental and social production and consumption practices inherent within the conventional agri-food market by developing alternative systems of standards and certification. Perhaps best known is the example of fair trade, which through its social and environmental standards seeks to transform inequitable North–South relations, empower producers, and encourage ethical consumption (Raynolds, 2012).

Agri-food scholars have also been influenced by conventions theory (Boltanski and Thévenot, 1991) and the economy of qualities approach (Callon et al., 2002). One of the central ideas here is that competition within the food sector has shifted from a focus on price and quantity to one that emphasizes notions of quality. Retailers or NGOs are concerned with creating standards that can communicate information to the consumer about particular attributes, such as safety or production process, embedded in a product. For example, standards can be used to communicate if a banana is organic, something that a consumer cannot determine objectively for themselves (Ponte and Gibbon, 2005). A conventions approach is focused on understanding the role of norms and values in determining how particular assessments of quality are made as well as the rules, procedures and organizational forms that coordinate exchange relations (Raynolds, 2004). Raynolds (2004, p. 728) argues that through an analysis of conventions, researchers can appreciate 'the constellations of ideas, practices, and institutions' that comprise and guide 'relations of production, exchange, and consumption'.

In sum, private standards are no longer simply about reducing transaction costs and increasing market efficiency. Instead, private standards have emerged as tools used strategically by both businesses and NGOs to achieve a range of objectives. These objectives include access to new markets, coordination of operations, quality and safety assurances to consumers, and the establishment of new brands, niche products and markets.

One recent area of enquiry has been to analyse the discursive and organizational mechanisms through which private standards and standard-makers achieve and maintain legitimacy. Public standards derive their authority and legitimacy from the state and the democratic decision-making process (Bain et al., 2010; Fuchs et al., 2011). The issue for these scholars is to understand how standard-makers convince potential standard-users to view *their* standards as credible and trustworthy (Ponte et al., 2011). The legitimacy of governance mechanisms is especially relevant within the context of global trade where rules and regulations are largely voluntary and authorities policing non-compliance are largely absent (Henson, 2011). Fuchs et al. (2011) assess legitimacy based on the degree to which standards enhance stakeholder participation as well as their transparency and accountability. Konefal and Hatanaka (2011) argue that the use of public, private or public-private hybrid TPC organizations has become de rigueur for enhancing the trust and legitimacy of claim-making related to standards, largely due to its perception as a compliance tool that is transparent, independent and objective.

Proponents assert that standards are grounded in techno-scientific practices, such as value neutrality, consistency, and transparency, as well as the objectivity of independent third-party certifiers. Influenced by science studies, especially actor-network theory, agri-food scholars of standards have sought to challenge this view. Drawing on understandings of how techno-scientific development works in practice (Latour, 1987), these scholars argue that standards are not simply an objective means to address technical compatibility issues. Rather, standards and TPC are socially mediated and are 'examples of disciplinary power' (Higgins and Larner, 2010a). Standards are not absolute, universalist tools imposed on local actors and sites, instead the ongoing work of standardizing – making people and things commensurable and calculable – is a process of negotiation, revision and strategic design (Higgins and Larner, 2010a). From this perspective, standards inevitably embody the interests, values, and asymmetrical power relations of different actors involved in the process.

One of the useful insights that have emerged is that science, politics and ethics are not mutually exclusive. Standards are normative because the very process of creating classifications and categories involves choices over what or who to include and exclude (Ponte et al., 2011; Silva-Castaneda, 2012). Busch argues that standards are normative because they not only define 'what (who) is good and what is bad', but also discipline 'those people and things that do not conform to the accepted definitions of good and bad' (2000, p. 273). Similarly, Ponte et al. argue that standards are norms through 'which people, objects or actions (including government regulation itself) can be judged and compared' (2011, p. 1). Standards have political and moral significance because they order relationships among people by defining their rights and their exposure to the rights of others. Thus, we can understand techno-scientific practices, such as standards, as 'politics by other means', which play a role in (re) producing social structures and informing issues related to ethics, social justice and democracy (Tanaka and Juska, 2010, p. 36).

### Outline of the Special Issue

The articles in this first issue of the IJSAF Private Agri-food Standards special issue expand on the body of literature that has focused on the enactment and standardization of standards. In particular, this issue focuses on the contestation, hybridity and the politics of standards. Specifically, several articles investigate and complicate the divide between so-called public versus private standards. While private standards have correctly been identified as coinciding with the rise of neo-liberalism and an audit culture (Campbell and Le Heron, 2007; Higgins et al., 2008), it is somewhat 'premature to assume that *all* non-governmental standards have the same political, social and cultural impacts' (Kimura, this issue, emphasis in original). The diversity of the operations and outcomes of private standards becomes particularly salient when focusing on different locations and contexts. Several of these articles allow us to see how private standards operate differently in different commodity chains and different cultural and institutional contexts (e.g. Argentina, Japan, Russia, Saint Vincent, United Kingdom).

Several authors in this collection also call attention to the ways in which agricultural and food procurement practices occur in contested spaces. These spaces provide opportunities for agency and unscripted outcomes, despite the presence of TSRs. Spaces of contestation occur because situations are often not fully knowable (e.g. the day-to-day practices of organic producers). Thus, individuals must often provide interpretations for appropriate courses of action to follow, and it is argued these interpretations present a specific type of standardizing work. In addition, these interpretations become further complicated when multiple standards regimes are being enacted in the same space (see Aasprong this issue; Berman, this issue). Yet, far from being passive, it is clear that some commodity chain actors seize the opportunity to selectively engage with standards and standardization practices of various standards regimes.

Contestation of standards also occurs because standards and standardization represent a contestation over values. Thus, the implementation and enactment of standards are 'situated in an edgy relationship as actors seek to transform institutional practice' (Fisher and Sheppard, this issue; also see Renard and Loconto, this issue). Expanding on earlier work that emphasized people's agency in commodity chains, a social interactionist approach 'reveals the complexity of implementing global qual-

ity standards in local contexts, and it highlights the significance of multiple interpretations and of degrees of engagement of social actors with the global expansion of standards' (Viteri and Arce, this issue). Below we provide a brief overview of the articles in this issue and the ways in which they expand upon our understanding of the contestation, hybridity and the politics of standards.

The first three articles in this issue (Kimura, Fisher and Sheppard, Renard and Loconto) all focus on the issue of developing democratic standards. Citing Busch (2011), who argues that standards are not only about expertise, but also about values, Kimura argues in 'Standards as Hybrid Forum: Comparison of the Post-Fukushima Radiation Standards by a Consumer Cooperative, the Private Sector, and the Japanese Government' that standards should be evaluated based on the amount of democratic dialogue behind them. Using Callon's metric of a 'hybrid forum', she evaluates the degree to which democratic standard setting for safe radiation levels in food occurred after the Fukushima accident in Japan. Based on her analysis of government, corporate, and a non-governmental organization, the Seikatsu Club Consumer Cooperative (SCCC), she concludes quite persuasively that scholars have been far too quick to critique all private standards (as opposed to public standards). Rather her research finds that SCCC standard-setting processes reflected democratic values more than corporate standards *and* more than the government's process of standards development. Kimura concludes that her findings counter 'the common assumption that public standards are better than private ones'.

In 'Pushing the Boundaries of the Social: Private Agri-food Standards and the Governance of Fair Trade in European Public Procurement', Fisher and Sheppard also engage with the issue of the contestation of values within global agri-food trade. They explore the ability of public sector actors to use private standards in their day-to-day work. Specifically, they focus on public procurement professionals in the Wales government and their ability to source fair-trade goods. Due to legal requirements of non-discrimination in procurement policies and very little case law on fair-trade procurement, public procurement officers must weigh the desire to procure sustainable goods (e.g. Fairtrade tea) with the risk of possible legal action for discriminatory procurement practices. Fisher and Sheppard explore why different courses of action are followed by different procurement professionals. The diverse decision-making processes of various procurement officials reveal the situated ability to govern, with actors experiencing a dynamic environment within which they must interpret different claims to legitimacy to serve the common good.

Emphasizing that standards development reflects values, in 'Competing Logics in the Further Standardization of Fair Trade: ISEAL and the Símbolo de Pequeños Productores' Renard and Loconto reveal the increasingly contested set of standards behind Fairtrade, one of the oldest standardized systems of private agriculture governance. The authors analyse two fair-trade groups, the large ISEAL group and the newly formed splinter group Símbolo de Pequeños Productores (SPP). Their case study demonstrates that SPP was created in protest to the perception that ISEAL's standards are increasingly performance based to the detriment of supporting the values and principles upon which fair trade was originally founded. SPP formed due to the perceived mission drift of ISEAL and as a means to advance a more values-based set of fair-trade standards. Not coincidentally, SPP's principles challenge the assumption that third-party certification must be distant from producers involved in the system or, alternatively, it is argued that the very rationale of fair trade depends upon certifiers working in close proximity with producers. Simultaneously, produc-

ers are concerned that this greater proximity will negatively impact the credibility and reputation of the newly developed fair-trade organization. Ultimately, Renard and Loconto argue that a conceptual and empirical link is missing in the literature between what is achieved through standards and the underlying process by which private governance is developed, adopted and implemented.

The final four articles in this issue explore the ways in which standards and their accompanying audits and third-party certifications are enacted or performed, with particular attention focused on the experiences of specific actors within the commodity chain. In Berman's 'Make It *What* Way? The Impact of Multiple Standards Regimes' and Aasprong's 'Entangled Standardizing Networks: The Case of GLOBALGAP and Fairtrade in Saint Vincent's Banana Industry', each author focuses on the experiences of *producers*. Whereas, in 'Inferring the Unknown: Enacting Organic Standards through Certification', Van der Kamp observes the performance of actual *certifiers* within a certifying body, Viteri and Arce describe *retailers'* negotiations over quality despite increasingly global, homogenizing standards in 'The Negotiation of Quality Standards: A Social Interactionist Approach to Fruit and Vegetable Distribution in Argentina'. All four articles highlight the importance of paying attention to the day-to-day practices of enacting TSRs, while also forcing us to recognize the ways in which context shapes the amount of discretionary power various actors have within a commodity chain.

Berman's study takes us to Russia and focuses on the fast-food industry, the fastest growing segment of Russia's food-service industry, and the industry's suppliers, particularly potato, poultry and lettuce producers. Berman focuses on the ways in which multiple standard regimes in the same space contribute to producers responding in partial and selective ways to standard adoption and implementation. While previous studies have compared how similar standards play out differently in diverse cultural contexts (e.g. Friedberg's study of British versus French green bean supply networks), Berman notes that few studies have focused on diverse standards and how they play out in one cultural context. In the case of Russia, she observes that producers' responses to any given standard are often contingent on other standards at play and that, when multiple standards regimes are enacted in the same space, producers identify the ambiguities inherent in each set of standards. Ultimately, Berman's study sheds light on the ways in which Russia and its unique cultural context shape acceptance of and adherence to various standards of producers and other members of the value chain. She notes that corporations may grant suppliers (including producers) more flexibility in the Russian context where the rule of law with respect to contract enforcement is perceived to be weaker than in other countries. The weak rule of law when combined with widespread corruption means that the audit culture, which is so prevalent in the enforcement of standards, easily obscures the day-to-day practices of food suppliers, thereby allowing them to only partially comply with standard regimes. Finally, Berman shows that far from perceiving themselves as victims in a system of proliferating standards, most Russian producers perceive themselves as active participants in the system, making strategic decisions about what standards to adopt and the degree to which they will fully implement the standards.

Focused on the impact that multiple certification systems have on producers, Aasprong examines the role of interpretation in standardizing. Similar to Berman, Aasprong is explicitly interested in the producers' experiences and perspectives when they are subject to two or more sets of rules and governance structures, in

this case GLOBALGAP and Fairtrade for banana production. He argues that the entanglement of certification systems in production demands more attention be given to how many actors involved in implementation processes collectively make sense of the standards. Due to 'the chain of interpretative authority', which emphasizes the involvement of a chain of actors with diminishing privilege in establishing interpretations, the author discovers that Saint Vincent banana producers are often encouraged to adopt a stricter interpretation of a standard than may be necessary. The adoption of a stricter interpretation of a standard occurs during a space in which there is an absence of authoritative interpretations, which has consequences for the amount of time and resources invested by producers. Aasprong also finds that in the case of the banana industry on Saint Vincent the entanglement of multiple certification systems means that actors from one standardizing network often end up having a stake in another network and consequently seek to influence the standardizing work. It is increasingly common for producers to be required to co-implement multiple certification systems, and Berman and Aasprong give scholarly attention to the ways in which farmers engage with and adapt to these standardizing networks.

While Berman finds that in the case of Russia producers still have the ability to make their own decisions, Van der Kamp asserts that the discretionary space to find interpretations of standards has shifted from farmers to certification bodies in the case of UK organics. In 'Inferring the Unknown', Van der Kamp analyses the day-to-day practices of certifiers who are responsible for certifying organic farmers in the UK. He finds is that the certification process involves dealing with uncertainty on an almost routine basis, something he phrases as a systemic absence of knowledge in the certification process. However, despite the systemic absence of knowledge, certification of farmers occurs and it is this occurrence that Van der Kamp interrogates. He observes that certification proceeds, and the decisions made by the certifiers are not haphazard or arbitrary. Rather the certification process is highly formalized and documented in part as a response to the uncertainty of certification. Utilizing Knorr Cetina's concept of epistemic practice, Van der Kamp admirably demonstrates that certification is a process in which the day-to-day operations of an organic producer can never fully be known. Instead certifiers rely on the 'unfolding of one empirical case' as sufficient for representing the way a producer 'does' organic production. In the process of documenting the response to uncertainty, Van der Kamp also demonstrates the ways in which sustainability standards are modified based on local cases, thereby allowing him to conclude standards are endlessly rewritten. Indeed, it is the ability to interpret and tinker with the standards that allow for the standards to work in specific locations. Most importantly, his work reveals that this adaption of standards to specific cases and localities is accomplished by different actors in the commodity chain working together, not simply by a single actor in a local setting.

Finally, while many of the articles in this collection are concerned with the operation of multiple global standard regimes in specific locations, Viteri and Arce argue that despite global standards, quality remains negotiated and definitions diverse within local contexts. Seeking to call attention to how the quality economy is established in markets, specifically how actors' social interactions and experiences shape quality standards, the article features three case studies of retailing practices within the Buenos Aires Wholesale Central Market (BAWCM). Utilizing a symbolic interactionist approach, the authors' case studies emphasize that prime consideration must be given to the differing interpretations, social relations, and materialities of quality in 'real' markets and, therefore, to subsequent negotiation and conflict

that occurs between different actors. By using a social interactionist approach, their work reveals ‘the complexity of implementing global quality standards in local contexts, and it highlights the significance of multiple interpretations and of degrees of engagement of social actors with the global expansion of standards’. Moreover, through this approach, the authors demonstrate that new types of agency and new materialities are created in the midst of negotiated quality.

## Note

1. Part 2 will be published as vol 20, no. 2..

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## **Standards as Hybrid Forum: Comparison of the Post-Fukushima Radiation Standards by a Consumer Cooperative, the Private Sector, and the Japanese Government**

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**Abstract.** Many have critiqued private food standards as neo-liberalization that reduces the power of government. However, a growing body of literature suggests that government standards do not necessarily result in better outcomes. In fact, some private standards can play a role in the construction of what feminist theorist Nancy Fraser calls ‘counterpublics’, which play an important role in holding the government accountable in late capitalist society. Callon et al.’s notion of a ‘hybrid forum’ is useful in theorizing this democratizing potential of standards. A ‘hybrid forum’ is a space to discuss techno-scientific matters that includes both laypeople and experts, and Callon et al. suggest six criteria (equality, transparency, clarity, intensity, openness, and quality) for judging the degree to which a hybrid forum achieves a democratic discussion on techno-scientific issues.

The article uses these criteria to evaluate three standards (government, private sector, and a consumer cooperative called Seikatsu Club Consumer Cooperative or SCCC) that are emerging in response to contamination of food by radioactive materials in the aftermath of the Fukushima nuclear power plant disasters in Japan. The article finds that the corporate and government standard-setting processes failed to offer meaningful opportunities for democratic debate in comparison with SCCC’s process. The broader theoretical implication of the article is that democratic dialogue is an important aspect of the process of setting food standards, and it should be taken into consideration when the worth of various food standards is evaluated.

On 11 March 2011 (hereafter ‘3.11’), a magnitude 9.0 earthquake hit the northern part of Japan. The Fukushima nuclear power plants’ cooling systems faltered and the threat of total meltdown shook the whole nation for several days. As Tokyo Electric Power Company (TEPCO) struggled to regain control over the plants, it was forced to release nuclear materials into the environment. As of August 2011, the Nuclear Safety Commission of Japan estimated that the Fukushima accidents had released a total of 570 000 tera Bq (becquerel)<sup>1</sup> of radioactive substances (*Japan Times*, 2011).

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It was the largest nuclear power plant accident in Japan, and ranked 7 (the most severe) on a seven-step scale by the International Atomic Energy Agency, comparable to the Chernobyl accident in 1986 (Bradsher et al., 2011).

Within a week of the earthquake, reports of contaminated food started to appear. On 19 March, the government announced that it had found contaminated food, and it ordered subsequently the governors of four prefectures to suspend shipment of spinach and milk. Social anxiety heightened as media began to report 'more and more food found above provisional regulatory values (for radiation in food)' (*Yomiuri Shinbun*, 2011b) and '25 out of 45 Fukushima vegetables above radioactive standards' (*Mainichi Shinbun*, 2011). While the government tried to assuage public concern by saying that consumption of contaminated food 'will not pose an immediate threat to health', as chief cabinet secretary Yukio Edano repeated in press conferences, the panic did not subside (Bvelson and Tabuchi, 2011).

There was profound confusion as to what ought to be considered acceptable radiation limits in food. There was no government standard to begin with, so the government had to come up with what it termed 'provisionary' standards. But many citizens felt that they were not strict enough and doubted their legitimacy. In a defensive move, many consumers started to avoid any produce from the Fukushima prefecture and the northeastern part of Japan (major agricultural and fishing regions), which resulted in major price drops and panic among producers. At the same time, the notion of 'harmful rumours' (*fuhyo higai*) was widely used by media and government to censor concerns about food contamination and consumer panic.

Seeing that many consumers were not satisfied with the provisional standards of the government, various organizations and corporations started to create their own standards. This rise of non-governmental radiation standards in Japan after the Fukushima accident presents an interesting space for analysing the implications of the private standards that have proliferated in food systems around the world. Scholars have increasingly critiqued non-governmental food standards as part of the process of neo-liberalization that shrinks government regulatory power, benefits better-off consumers and bigger producers, and confines people's identity to that of consumers

While it is understandable to situate the rise of private standards within the overall trend of neo-liberalization, it seems premature to assume that *all* non-governmental standards have the same political, social, and cultural impacts. In this article, I will argue that the evaluation of standards ought to take into consideration the degree of democratic debate behind them. In his recent book, Lawrence Busch (2011) observes the tension between standards and democracy, where many existing standards are undemocratic and created by a limited number of 'experts'. However, he argues that standards are not only about expertise but also about values, and he calls for a democratization of standards that would make them 'fair, equitable, and effective' (Busch, 2011, p. 300). This article examines the degree to which standards might vary in their democratic aspects by comparing standards created by different actors – the government, corporations, and a consumer cooperative called Seikatsu Club Consumer Cooperative (SCCC). This article will show how SCCC's standards differ from corporate ones although both are private standards. I will also point out how the process of SCCC's standard setting reflected democratic values more than the government's process, countering a common assumption that public standards are better than private ones.

## Standards as Hybrid Forum

As the concern for food safety and quality has increased over the last several decades, corporations have increased their use of standards as a way to assuage consumer worries and enhance their trust (Busch, 2011). From GLOBALGAP (Good Agricultural Practice) to the hazard analysis and critical control points (HACCP), there are multiple standards that are enforced by major retailers. Many of them are what Busch (2011) calls a 'tripartite standards regime', which combines standards, certifications, and accreditations, and they have become a robust alternative to state-based regulations.

These private food standards are increasingly popular, yet scholars have pointed out various problems. First, food standards might not be effective in guaranteeing food quality and safety. Many cases of food recalls and contamination attest to the empirical reality that standards cannot ensure completely the quality and safety of food. For instance, one large-scale recall was motivated by bacteriological contamination that was found to plague even HACCP-certified factories (Gouveia and Juska, 2002).

Second, standards might not lead to enhanced consumer trust. Standards are often invisible to consumers, not necessarily assuaging consumers' worries about the food they eat. Furthermore, the flourishing of different standards and labels results in consumer confusion. Ten Eyck et al. (2006) reported that consumers are becoming cynical or confused about food standards as they see confusing definitions and contradictory claims. Despite the growing use of third-party certification to bolster the credibility of standards, consumer trust is not necessarily achieved.

Third, compliance with standards is often costly for suppliers, and the distributional consequences are serious. For instance, Mutersbaugh (2005) points out that in the organic coffee sector, compliance with organic standards is a burden for many farmers but the organic premium is captured more by retailers than farmers. Dunn (2003) found that standards worked as a barrier to entry into the market, exacerbating the gap between smaller and larger producers. Standards might reflect the interests of powerful actors. Private standards also might be more vulnerable to manipulation by powerful players who might try to dilute quality and safety standards.

Fourth, private standards tend to have the effect of 'standardized differentiation' where standards are used to create a marketing niche. This results in a stratification of food, where more money buys greater safety and quality. Private standards lack transparency and an adequate appeals mechanism (Busch, 2011).

Overall, many scholars have argued that standards set by non-government actors are part and parcel of the neo-liberal devolution of power with negative implications for food governance (Guthman, 2007). For instance, Guthman (2007, p. 457) argued that they are 'typical of neoliberal regulation, devolving regulatory responsibility to consumers'.

Elsewhere, however, I have argued that the dichotomous view of government-private standards is unhelpful (Kimura, 2010). Drawing on the work of feminist theorist Nancy Fraser (1990), I have pointed out the possibility of non-governmental standards functioning to support 'counterpublics', providing a democratic space for exploring alternatives and an important forum for holding the government accountable in late-capitalist society. This is also the central topic of Busch's (2011, p. 288) book, where he makes a plea for democratic discussion of standards, arguing that 'the formation of standards is central to the (re)structuring of society'.

Standards pose a particular challenge to democracy. As the process of developing them requires some form of technical and scientific expertise, the involvement of laypersons is often seen as unhelpful or troublesome. But food standards benefit from democratization, as standards are not simply about technical issues but also about democracy. That is the important point made by Busch (2011, p. 285), who says that ‘standards are all wrapped up in questions about who we are, how we want to live, and what is the right thing to do’. He argues that the use of cost–benefit analysis and risk analysis that underlies many standards tends to ‘shift decision making from the public to an expert elite with the wherewithal to gather the “hard data” needed to arrive at a decision’ (p. 280) while in actuality they could be a ‘means for obfuscating what is at stake and of concentrating decision making in the hands of a technoscientific elite that falsely claims to have the answers’ (p. 285).

Here I turn to Callon et al.’s (2009) notion of ‘hybrid forum’, because they explore possibilities of democratic actions on issues that involve technology and science. Many issues that surround food and agriculture – and certainly Fukushima-related contamination – can be considered what Callon et al. call ‘radical uncertainties’, dangers that are not well-identified and whose causal chain and potential impacts are not exactly describable. A ‘hybrid forum’ is a space to discuss techno-scientific matters with radical uncertainties that includes both laypeople and experts. They are hybrid in the sense that they are ‘open spaces where groups can come together to discuss technical options involving the collective’ (Callon et al., 2009, p. 18), which includes experts as well as laypeople.<sup>2</sup>

Callon et al. suggest six criteria to examine the degree to which a hybrid forum can satisfy the parameters of ‘dialogic democracy’, which they contrast with ‘delegative democracy’.<sup>3</sup> Three criteria are about procedure: equal access to debates to enable participation by non-dominant groups by providing necessary resources (*equality*), transparency of debates (*transparency*), and clear rules of debate and the goal of the process (*clarity*).

The other three are more centrally concerned with how to involve laypeople. The first is what they call *intensity*, which is related to the intensity of lay–expert collaboration, and in particular to what degree a forum overcomes ‘the division between the laboratory research and research in the wild according to whether it affects the identification and formulation of problems, the extension and organization of the research collective, or the application of laboratory results in the real world’ (Callon et al., 2009, p. 158). The second is *openness* of a forum to a variety of groups beyond the already established interest groups (p. 159). The third is the *quality* of arguments by the participants and the continuity of deliberation. Do participants make their arguments with necessary relevance and acuteness? And are they continuous or sporadic? This article applies these six criteria to the three different standards by the government, corporations, and SCCC.

## Data

Data for this article are taken from multiple sources. For government standards, I obtained related public documents, meeting minutes, and media reports. I also conducted five phone interviews with staff at the Food Safety Commission, the Ministry of Health, Labour, and Welfare (MHLW) and the Radiation Council under the Ministry of Education. For corporate standards, I primarily relied on two magazine articles that surveyed corporate responses (*Weekly Toyo Keizai*, 2011; Suzuki, 2012),

combined with media reports and corporate websites. For SCCC standards, I interviewed four staff members at the SCCC headquarters' Division of Independent Management Promotion and Environment, as well as staff and council members at five local SCCCs. In addition, I examined published SCCC reports and websites.

### Post-Fukushima Standards by Government

In the wake of the Fukushima nuclear disasters, the government had to scramble to cope with food contamination. The Food Sanitation Act, meant to 'prevent harm resulting from food', did not anticipate widespread radioactive contamination. Therefore, the government had to look elsewhere to regulate contaminated food. On 17 March 2011, MHLW issued a notice saying that "'Indices Relating to Limits on Food and Drink Ingestion" by the Nuclear Safety Commission shall be adopted for the time being as provisional regulatory values' (MHLW, 2011). These 'Provisional Regulatory Values' (PRVs) for cesium were 200 Bq/kg for drinking water, milk, and other dairy products and 500 Bq/kg for vegetables, grain, meat, eggs, and fish. All government agencies used PRVs as the official standard in judging whether food was contaminated or not.

MHLW began collecting data from the Ministry of Education, the Ministry of Agriculture, Forestry, and Fisheries, and relevant local municipalities. Various food products were found to be contaminated. In the third week of March, milk from Kawamata City, Fukushima prefecture had 1510 Bq/kg of iodine 131, and in response the Fukushima prefecture asked 17 dairy farmers in Kawamata City not to ship milk (*Asahi Shinbun*, 2011a). Discoveries of contamination continued through the year and as of November 2011, close to 900 food items had tested above PRVs (Hayashi, 2011).

While PRVs undergirded all government actions in response to radioactive food contamination, their legitimacy was tenuous from the beginning. The first criticism was that the limits were set too high. While they are comparable to the standards in the US and EU (Table 1), critics pointed out that 200 Bq/kg for tap water was much higher than the World Health Organization's standard (10 Bq/kg). Non-profit organizations such as Foodwatch reported that some countries affected by Chernobyl had adopted stricter standards, such as Ukraine, whose cesium 137 standard for drinking water is 2 Bq/l. Belarus's cesium 137 standards are also lower, at 10 Bq/l for drinking water and 100 Bq/l for dairy products (Foodwatch, 2011). Some experts also called for stricter values; for instance, Professor Junya Nagayama at Kyusyu University's medical school proposed cesium standards at 20 Bq/kg for dairy and 50

**Table 1.** Comparison of standards for radioactive materials in water and food as of 2011.

	Iodine 131			Cesium 134 and 137				
	Drinking water	Milk, dairy	Vegetables	Drinking water	Milk, dairy	Vegetables	Grain	Meat, eggs, fish
Japan	300	300	2000	200	200	500	500	500
US	170	170	170	1200	1200	1200	1200	1200
EU	300	300	2000	200	200	500	500	500

Note: Units are Bq/kg  
Source: Hayashi, 2011.

Bq/kg for vegetables (*Nishinihon Shinbun*, 2012). That many of the foods consumed in large quantity by the Japanese – fish and rice, for instance – did not have lower PRVs was also criticized.<sup>4</sup>

Second, PRVs were set only for a few radioactive materials such as cesium and iodine, but excluded others, notably strontium. Strontium is hazardous to human health and was part of the radioactive materials released by the Fukushima plants. Yet the government did not mandate testing for it, citing the lower possibility of its spread due to its relative heaviness and the cost of testing. Nonetheless, reports appeared to confirm strontium contamination (*Asahi Shinbun*, 2011b).

Third, the government's monitoring system proved to have many loopholes. Its testing capacity was limited to 216 germanium semiconductor detectors (Suzuki, 2012). There was no centralized system to check for radioactive contamination of food as voluntary tests were conducted by prefectural governments in cooperation with local farmers. The Ministry of Agriculture, Forestry, and Fisheries found that 14 prefectures did not conduct any inspection of radioactive materials in food between March and July 2011, despite many contaminated foods being discovered during the period (*Weekly Toyo Keizai*, 2011). Moreover, in some cases, the government order to halt shipment of contaminated food proved ineffective. For instance, contaminated spinach from Katori City, Chiba prefecture, was sold in April 2011, against government directives (*Sankei Shinbun*, 2011).

Furthermore, not all food was subject to testing, and some products were closely scrutinized while others went largely unexamined. News about contaminated beef helped to increase the number of cattle that were screened for radioactive contamination, but other foods were subject to less scrutiny.<sup>5</sup> Of 96 000 tests that were reported to MHLW in 2011, 65% were on beef. In contrast, of all tests conducted, only 6.3% were on seafood and only 2.3% on tea, despite the fact that these foods were more likely than beef to be contaminated (Suzuki, 2012).<sup>6</sup>

The government responded to these criticisms by starting to explore new standards. First, MHLW instructed the Food Safety Commission (FSC) to conduct health impact assessments. FSC's 'working group for an assessment of the effect of radioactive nuclides in food on health' met nine times from April through July and came up with a draft report on 26 July 2011. The group investigated various scientific studies as well as standards set by international organizations such as the World Health Organization and the International Commission on Radiological Protection. After that, public comments were invited. FSC submitted the final report on 26 October. In the final report, FSC concluded that more than 100 millisivert of effective doses of radiation over a lifetime could increase health risks (Food Safety Commission, 2011).

With this recommendation from FSC, MHLW's Radioactive Material Response Working Group started to set standards. It met seven times and published its draft report in January 2012. For general foodstuffs, such as vegetables, grains, meat, and fish, the new standard was 100 Bq, one-fifth of the PRVs. In addition to a newly established standard of 50 Bq for food for babies, the new level for drinking water was 10 Bq/l. Upon this draft release, public comments were sought for a month.

The draft next went to the Radiation Council, which claimed that the new standards were too strict. For instance, they recommended that standards for dairy and baby food be changed to 100 Bq/kg. In this criticism, the Council was not alone; many producer groups expressed their concern that the standards would harm business. For instance, at a meeting on the new standards organized by the MHLW and FSC, angry farmers said 'we will be forced to quit farming' (*Fukushima Minpo News*,

2012). In the end, however, the Council did not have the power to change the MHLW draft. The Council finally approved of the new standards, although, in an unprecedented move, it published a report critiquing it. The new standards went into effect in April 2012.<sup>7</sup>

### Corporate Response

The corporate sector also struggled to respond to this unprecedented situation. Consumers flooded companies with inquiries about the geographic origin of food and radiation levels of products. The majority of companies maintained the stance that the PRVs were valid and as long as food was permitted by the public authorities, it could be deemed safe. Many of them did not conduct independent testing of radiation levels because they did not have the capacity and testing could be costly (for instance, a germanium semiconductor detector could cost up to a quarter of a million dollars, and its operation requires more than 30 minutes per sample). Major convenience stores such as Seven-Eleven and Lawson did not conduct any testing (Kanda et al., 2011). Major department stores (they sell food and vegetables in Japan) similarly did not conduct their own tests.

Some companies started testing independently after March 2011, but only some ingredients. For instance, House Food Inc. tested water but not other ingredients with the position that 'if they are sold on the market, they are safe'. Ajinomoto General Foods had a similar position, only testing when there were consumer inquiries on particular products (Kanda et al., 2011). Fast-food chains such as Moss Burger and KFC also started testing on samples (Moss Burger on five vegetables from nine prefectures, about twice a week, and KFC on chicken from Fukushima) while McDonald's did not conduct any testing (Kanda et al., 2011).

The dairy industry has been severely impacted by the incident, particularly because of its link with children. In December, Meiji Co. recalled its formula milk because it had 31 Bq/kg of cesium. Major dairy producers (Meiji, Yukijirushi, and Morinaga) started testing samples of their products, but they did not make the results public.

Busch (2011) observes that some standards are not only for standardizing but also for differentiation. Indeed, in the aftermath of 3.11, some companies started to use radiation testing and standards as a way to differentiate themselves from their competitors. For instance, some restaurants are now using radiation testing for marketing purposes (*Nihon Keizai Shinbun*, 2012). A mushroom producer, Yukiguni Maitake, began running a TV advertisement in September 2011 saying that they had started radiation testing and were publicizing the results every day, and its sales increased by 50% (Kanda et al., 2011).

Another notable example of the use of standards for differentiation is provided by the supermarket chain Aeon. It is one of the largest supermarket chains in Japan, owning Aeon supermarket and Maxvalue chains with about 1,000 stores nationwide. After the March incidents, Aeon set its own 'Aeon standards' at 50 Bq/kg for all products, defying the PRVs. Furthermore, in November 2011 it announced that it would aim for 'zero tolerance' and publicized testing results on its website (Aeon, 2011). Despite the fanfare, it is interesting that it did not screen all products. While all the beef it sold was tested after the discovery of contaminated beef in the summer of 2011, testing of other products was quite limited.<sup>8</sup> Nonetheless, Aeon's range of products tested was broader than their competitors', which was widely reported

in the media. For instance, another national supermarket chain, Ito Yokado, only tested samples of its private brand rice, vegetables, and fruits, although beef was tested thoroughly (Kanda et al., 2011).<sup>9</sup> Aeon seemed to see this as an opportunity to establish the image of having high quality food, and hence they were willing to take a loss from having strict standards. Aeon claimed to have had a loss of about JPY10 million (USD100,000) as of January 2012 (*Asahi Shinbun*, 2012b).

### Seikatsu's Response

The SCCC is a consumer cooperative with 350 000 members (in 23 local SCCCs). Most of its members are women (Ueno, 2004; Ogai, 2005; Nishikino and Kado, 2007). In comparison with more mainstream consumer co-ops in Japan, SCCC maintains quite progressive characteristics. SCCC only sells products that it believes fits its philosophy, directly purchasing from organic/low-input farmers and artisan food manufacturers. SCCC has also been active on environmental issues including water quality and genetically modified crops (Sato, 1988). It is also known for spawning women's workers' collectives (Marshall, 2003) and for electing more than a hundred women into local political offices through the *Seikatsusha Nettowaku* (Network of People Pursuing Livelihood) (Gelb and Estevez-Abe, 1998; LeBlanc, 1999; Ogai, 2005).<sup>10</sup>

The SCCC had had a radiation standard of 37 Bq/kg for cesium, which was set in the aftermath of the Chernobyl accident. However, the situation in Fukushima was different from Chernobyl in that the possibility of contamination was much more widespread and it was likely to continue for a long time. On 23 March, the SCCC council decided to temporarily use the PRVs rather than 37 Bq/kg. It explained that 'given that the radiation contamination by the Fukushima plants has spread all over East Japan, to adhere to the Independent Criteria is physically impossible because it means testing all food that SCCC deals with' (SCCC, 2011b).

Some members, however, felt that this was a betrayal of consumer trust in the SCCC's commitment to food safety. More than 150 members sent letters to various local SCCCs protesting the decision, saying that they were deeply concerned that the SCCC leadership was more interested in avoiding the charge of harmful rumours (*fuhyo higai*) and prioritizing producer interests. Overall, however, a massive exodus of members did not take place, and the number of members has remained relatively constant since 2011.

The SCCC felt that for any standard to be meaningful, it needed to be backed up by having a solid testing capacity. Before 3.11, the SCCC had outsourced testing to a non-profit organization called the Radioactive Food Contamination Lab (see <<http://www.housyanou.org/home>>), which it helped to establish in the aftermath of Chernobyl in collaboration with researchers and other alternative food movement organizations. But given the need for a greatly expanded scope and speed of tests, the SCCC had to build in-house testing capacity. In April, it ordered radiation testing equipment, which finally arrived in September 2011. Since then the SCCC has been conducting testing of all product categories (600+). In addition, it asked its suppliers from affected areas to conduct independent tests at their own cost.

That the SCCC did not immediately try to set its own standards was in stark contrast to organizations that might be considered its direct competitors. For instance, the Pal System Consumer Cooperative set independent standards in September 2011 (Table 2). Pal System is a federation of several consumer cooperatives in the Tokyo

**Table 2.** Comparison of standards for radioactive cesium in food (Bq/kg) as of December 2011.

	Government PRV	Pal System	Radish Boya
Milk and dairy products	200	40	20
Water	200	40	20
Produce	500	100	50
Meat	500	100	50
Eggs	500	100	50

Source: <<http://www.pal-system.co.jp>>, <<http://www.radishbo-ya.co.jp>>.

area serving one million households (with more than JPY100 billion [USD110 million] in annual sales) with an emphasis on sustainability and direct relationships with farmers (more so than another, bigger federation of consumer cooperatives in the same area). Radish Boya, which is a natural food mail order service with 10 500 customers (with JPY22 billion [USD220 million] in annual sales), established their standards at one-tenth of the PRVs, also in September 2011 (Radish Boya, 2011).

From SCCC's perspective, immediately setting independent standards did not seem like a good idea, for two main reasons. First, even though SCCC deals with only 600 items (compared with the several thousand typical for regular supermarkets), given their limited testing capacity, stricter standards felt meaningless when all products could not be tested.

The second reason is that the stricter standards had the possibility of seriously jeopardizing SCCC's relationship with its producers. If products were to be found with contamination levels above those allowed by the independent standards, producers would suffer from loss of income when the possibility of compensation from TEPCO was not guaranteed. For an organization that has tried to cultivate relationships with artisan, ecologically minded producers over many years, stricter standards likely to undermine the livelihood of its partners went against its philosophy.

Hence, SCCC prioritized testing its products as much as possible and making the results public, with the idea that it would give information for consumers to make their own choices, and also that SCCC would accumulate detailed empirical information about the extent of contamination that would be useful for setting standards. The decision to make results public was controversial, as many suppliers were concerned that it might lead to harmful rumours. Nonetheless, SCCC argued that in this unprecedented situation, members needed to have information so that they could make decisions. All the test results are therefore accessible on its website (SCCC, 2011a).

After a year of expanding testing capacity and accumulating data (over 18 000 tests conducted), SCCC felt prepared to establish its own standards. As with other standards used by SCCC, its Independent Management Committee (IMC) took charge of this task. The Committee is designed to reflect both consumer and producer interests and is composed of producers and consumer representatives.<sup>11</sup> They started the discussion on new radiation standards in July 2011 and announced provisional new standards in April 2012 (Table 3). More specifically, IMC held four preparatory meetings attended by three IMC members and SCCC headquarters staff. They were tasked to gather information and to examine focal points for the subsequent discussion. Then IMC set up a special committee composed of 15 IMC members and

**Table 3.** New standards by the government and SCCC as of April 2012.

	Government	SCCC
Milk	50	10
Water	10	10
Baby food	50	10
Meat and eggs	100	20
Vegetables and fruits	100	50*
Rice	100	10

Note: \*except for mushrooms.  
Source: <www.seikatsclub.coop>.

headquarters staff, which met four times to set the standards. They agreed that the standards should set acceptable contamination levels lower than the government's new standards in order to consider both internal and external radiation. They also lowered the levels for rice, milk, and eggs, as these tend to be consumed in greater volume. Another important note about the new standards is that if there are products contaminated above acceptable levels, SCCC members (consumers) will share the financial damages incurred by the producers. The current standards are considered provisional as SCCC is seeking input from more SCCC members and plans to re-evaluate the standards in several months.

### Democratic Dialogue?

Multiple standards by various actors create confusion as to the ways to evaluate different standards. We might celebrate the seemingly stringent 'zero tolerance' policy by Aeon supermarkets; we might compare the speed with which new standards came about, and here Aeon's would also be better than the government's and SCCC's standards, both of which took one full year to materialize. In this article, however, I highlight the *processes* of standard setting and their degree of democratic debate. Heightened societal concern and the lack of scientific consensus about safe levels of radioactive contamination justify such attention to democratic aspects in evaluating food radiation standards. Callon et al.'s (2009) criteria (equality, transparency, clarity of rules, intensity, openness, and quality of debates) are used in assessing the standards' differential democratic potential (summarized in Table 4).

Corporate standards fail to meet any of the criteria set by Callon et al. They did not involve any laypeople in discussing what ought to be measured, when, and how. Perhaps that is to be expected as they are private corporations and democracy is probably not their concern. However, it is interesting that many companies have talked rhetorically about the 'consumer' holding them accountable and assuaging consumer concern as their top priority. One might argue that when there is so much uncertainty about what constitutes the 'safe' level of radiation, the best way is to involve consumers in the process of standard setting itself. Nevertheless, corporations neither involved consumers in their standard setting processes nor publicized the results of their product testing.

Government standards (the PRVs and the new standards) merit more detailed exploration, as they are supposed to be set democratically. Let us first examine the case of the PRVs. The PRVs score low on all of the criteria. They were the result of closed

**Table 4.** Summary of comparison of standards in relation to Callon et al.'s criteria.

	Corporations	Government (new standards)	SCCC
Equality (inclusiveness to marginalized groups)	Low	Low	Moderate
Transparency (of debates)	Low	Moderate	Moderate
Clarity of rules	Low	Moderate	Moderate
Intensity (early involvement of laypeople)	Low	Low	High
Openness (diversity of lay people)	Low	Moderate	(not observable yet)
Quality (of debate)	Low	Low	(not observable yet)

discussion among nuclear experts, far from the product of a democratic dialogue. The PRVs were taken from *Guide: Emergency Preparedness for Nuclear Facilities*, which was originally published in 1980 and last updated in 2010 (Nuclear Safety Commission, 1980, 2010). It was written by the Nuclear Safety Commission (NSC). NSC and its related working groups have about 90 commissioners, who are appointed by the prime minister with approval from the parliament. Most of them are nuclear experts. NSC members have been criticized for their intimate links with the nuclear industry (Yamaoka, 2011). Recent news further revealed that its commissioners had been receiving financial assistance in various forms from the nuclear industry (*Asahi Shinbun*, 2012a).

In terms of lay involvement, NSC held a regular public comment period when the PRVs were revised in 2010, but the report had already been close to finished. Only one person – not a layperson, but someone from the Japan Atomic Energy Agency – commented, and his comment was technical, about the inconsistent use of the terms ‘effective dose’ and ‘whole-body dose’ (Nuclear Safety Commission, 2010).

For the new government standards, recall that three bureaucratic bodies were involved: the Food Safety Commission (FSC), MHLW’s Radioactive Material Response Working Group (RMRWG), and Ministry of Education’s Radiation Council. FSC was established in 2003 in the aftermath of the BSE (bovine spongiform encephalopathy) scandals. Its main tasks are to conduct risk assessment and risk communication where the FSC’s expert working group deliberates, invites public comments, and summarizes its recommendations to relevant agencies that are responsible for risk management. FSC members are appointed by the prime minister.

The FSC’s interaction with ordinary citizens was limited to the process of ‘public comments’. More than 3,000 citizens gave opinions, but only through emailed and faxed comments, not direct participation in the development and discussion of the new standards. According to the FSC, involving laypeople in the working group would have prevented it from making ‘neutral and scientific’ decisions (staff interview, February 2012). Such attitudes that draw a sharp divide between laypeople and experts fundamentally reject that any value might result from dialogic debates. Public comments were sought only after the baseline agreement had been formed among experts and did not have significant impact on the content of the final rec-

ommendation. While the FSC went through all comments and organized them into different issue areas, it concluded that there were no new insights that would necessitate radical changes to the draft. While openness was moderate (anyone could submit comments), quality and intensity of lay involvement were low. Because the procedure was clearly set and all minutes and responses to public comments were public, transparency and clarity of rules might be moderately sufficient (minutes are public but some processes such as selection of group members and the process of responding to public comments are not transparent). Yet equality was curtailed because the selection of experts invited to working group meetings depended upon the FSC staff and the chair and there was no public nomination process.

Similarly, the expert-layperson divide was obvious in RMRWG. There were 11 members, only one of whom was a 'consumer representative', a director of a federation of consumer organizations. No explanation was provided for why this particular person was chosen. No public nomination process existed and all were appointed by the chair of the Food Sanitation Council. Like FSC, RMRWG sought public comments, but only after it had come up with an almost-complete draft report. It received about 1,700 comments.<sup>12</sup>

The Ministry of Education's Radiation Council similarly did not involve citizens. It has 19 members, all of them radiation experts. The Radiation Council did not seek any public input.

In summary, the government standards were set with public comments' as a token mechanism for democratic discussion and lay participation. While the number of comments to FSC and RMRWG was impressive, they were solicited only after the basic direction was set and did not provide access to the debates. Nor did they involve meaningful back-and-forth between laypeople and experts. This reality mirrors the practice of public inquiries on public projects in France critiqued by Callon et al. (2009) for being an 'inquiry without a public', which was 'not a tool of consultation but one designed to gain adherence to a project', ultimately having only weak impacts on decisions (p. 167). Moreover, public comment could be manipulated by powerful actors. As RMRWG finished its public comment period, newspapers broke the news that the former chair of the Radiation Council had asked the members of the Atomic Energy Society of Japan to submit public comments opposing the new standards as too strict (*Tokyo Shinbun*, 2012). Rather than involving regular citizens in a meaningful and constructive way, the government's public comment system was a mechanism of 'tightly disciplined and framed occasions' (Callon et al., 2009, p. 122) that ultimately failed to engage ordinary citizens in deliberation about this complex and politically charged issue.

### **Analysing SCCC's Standard Setting**

How does SCCC's process compare with those of the corporations and the government? SCCC's immediate decision to stop applying its Independent Standards right after 3.11 was made without regular members' input. The new standards were set by the Independent Management Committee (IMC) with 12 council members from local SCCC's, four supplier representatives, and six staff members from the SCCC headquarters. In terms of lay involvement, the IMC includes both producers and SCCC members (consumers). None are radiation experts. Hence *intensity* – early involvement of laypeople – is high. *Equality* is moderate; there is a concern about who can participate in the IMC as council members. SCCC recognizes that many women

feel it is difficult for them to become council members because it requires traveling. In contrast, the government's public comment process pays no such attention to differences in resources. *Transparency* is moderate, as minutes of the IMC are not made public, although the results will be reported to the SCCC Council, local SCCC councils, and to the general meetings attended by regular members. *Clarity* of rules of debate is moderate, as what is to be achieved is clear and follows the established workings of the IMC. *Quality* of discussion is difficult to analyse, as I did not have access to the meeting minutes for the IMC. However, one important advantage in this regard is that it includes both producers and consumers, which is different from the government standard setting process and often critiqued as a major shortcoming. As the standards have become a battleground between safety-oriented consumers and producers who are concerned about impacts on their business, direct discussion between the two seems to offer a great advantage in arriving at standards that are acceptable to key stakeholders.

The criterion of *openness* merits a greater discussion. I would judge it could be improved because the number of IMC members is limited, and even if a new group or individuals might want to join the discussion, it is in principle not allowed. Among IMC members, SCCC member slots are filled by council members who are elected by each local co-op's members. At least two problems exist here. First, some local SCCCs do not send council members to IMC for various reasons. Second, we should also question whether this system is simply another instantiation of delegative democracy. In other words, how does SCCC prevent a situation where these 'representatives' (council members) are divorced from the larger collective, not allowing divergent opinions to emerge in the process?

This points to a fundamental challenge for SCCC in pursuing its broader vision of grass-roots democracy. On the one hand, SCCC is theoretically structured on the basis of locally based community groups. The smallest unit of the local co-op is the *han*, or group consisting of five to seven people, in a given neighborhood. Several *hans* compose a district, and several districts a branch. The chair of the branch is elected by its members and they attend council meetings (typically once a month) that decide important matters for the co-op. Members order and distribute goods through the *han*, hence they meet weekly to sort the goods. It is through such regular encounters with peers that the *han* is expected to foster discussion about common issues and to construct learning opportunities in democracy. However, as in many other consumer cooperatives, the proportion of members who order individually (*kohai*) rather than through the *han* has increased. In this situation, many members do not know other members, and sometimes even the chairs of branches do not feel they know their constituents (interview with a Tokyo SCCC staff member, 2012).

On the other hand, some local SCCCs are still ordering only through the *han*, and in my interviews with staff of the local SCCCs, those at the smaller ones tended to say that the *han* was still functioning well. Moreover, members are now starting to form groups less on the basis of *han* than on the basis of issues (such as eldercare, child-rearing, and anti-nuclear activism). All local SCCCs where I interviewed members have held numerous study groups and discussions on the topics of nuclear power, radiation contamination, and/or renewable energy, indicating that local SCCCs were helping to forge continued dialogue on broader nuclear issues. Therefore, it is possible that emergent opinions and interests can be sufficiently reflected in the discussions by the IMC. In addition, the new standards are provisional, and regular

members have several months to discuss the issue in their own communities and to give feedback.

In summary, compared to the government and corporate standards, the SCCC's new standard setting had an earlier involvement of laypeople, involving both consumers and producers, although it was based on scientific data (particularly the large testing results over one year). The standards were set by democratically elected representatives who are the conduits of opinions and feedback from regular members, not by appointed 'experts' as in the case of government standards. Nonetheless, the process was not perfect and improvements could be made by various means, such as making the meeting minutes public to improve transparency, conducting more meetings on the issue at the local SCCC level, and allowing new groups to enter the deliberative body (i.e. IMC) to improve equality and openness.

### Connection with Public Space

Nancy Fraser (1990) theorized the notion of counterpublics by critiquing Habermas's notion of the public sphere for not considering how it rested on a number of exclusions based on race, class, and gender. Rather than envisioning a single public sphere, she argued for the value of multiple counter-publics formed by subordinated social groups to invent and circulate counter-discourses.

Can we consider SCCC's private standard as having a role in creating one of the counter-publics that emerged around food safety issues in the aftermath of Fukushima? The difference in citizen participation between SCCC and the corporate processes as well as the long history of SCCC's involvement in other social movements, mentioned above, provides support for such a reading. In addition, SCCC and the corporations differ markedly in their relationships with the state and public media. Fraser points out that counter-publics can be effective only when they are 'capable of influencing the use of public power and of holding public officials accountable' (Fraser, 2009, p. 155). This point about efficacy is also recognized by Callon et al. (2009), who discuss the importance of interaction between hybrid forums and media and public authorities.

Although both SCCC and corporate standards are private standards, their relationships with the government and media exhibit very different characteristics. While the SCCC has continuously taken a critical stance towards the government's PRVs and nuclear policy in general, the corporate sector has rarely voiced criticism against the government. Reviewing corporate attitudes, *Weekly Toyo Keizai* (2011) suggested that 'the food industry keeps silent towards the government'. When corporations were asked what they might request of the government, the dominant corporate response was 'nothing in particular' and 'we are just one corporation and we are not in a position to provide opinions on government positions' (*Weekly Toyo Keizai*, 2011).<sup>13</sup> While some companies that are trying to use independent standards as a marketing strategy welcomed media attention, most corporations seemed quite unwilling to disclose any information through the media.

In contrast to the silence of the industry, SCCC has been actively engaged in lobbying and advocacy. For instance, in March 2011, SCCC sent a letter to the prime minister, arguing that the government needed to provide adequate information about food contamination, set a framework for compensation for producers who suffer from radiation contamination, and move towards renewable energy policy.

Since then, it has sent numerous letters to the national and local governments, political parties, and utility companies and has participated in anti-nuclear activism.<sup>14</sup>

Another example of such work by SCCC in trying to shape larger public discourse is the establishment of the 'Round Table for the Discussion on Food and Radiation' with three other alternative food outlets (Pal System Consumer Cooperative, Daichi wo Mamoru Kai, and the Catalogue House) in 2011. All of the organizations are involved in natural food mail order businesses.<sup>15</sup> SCCC, Pal System, and Daichi have worked together on anti-nuclear issues, notably establishing the National Network to Oppose Rokkasho Nuclear Reprocessing Site and Prevent Radioactive Contamination in July 2007.<sup>16</sup> The Round Table submitted jointly to MHLW a public comment on the new standards, which pointed out numerous problems.<sup>17</sup> This kind of networking with other similar-minded organizations, as well as engagement with media and the government, is necessary for standard-setting groups to function meaningfully as counter-publics.

## Conclusion

This article has analysed the processes of radiation standard setting by three actors in response to Fukushima-related food contamination. Using Callon et al.'s (2009) criteria of dialogic democracy in a hybrid forum, it showed how the processes behind the three standards differed. Based on these criteria, the analysis suggests that even within the category of private standards' there is a significant difference in accompanying democratic debates, and that the government standards are not necessarily better than private standards in this regard.

One important issue that I do not analyse in this article is the issue of identity. Callon et al. (2009) argue that for a hybrid forum to truly work as a forum of dialogic democracy, it needs to allow for the shifting of identity of the people and organizations involved. This is important, as existing pressure groups might not accommodate emergent identities that often times get clarified and changed as a result of new research activities and discussion. Malleability of identity is also necessary for participating parties to come to what they call a 'common world' that leaves room for people to change their positions and stakes in response to emergent research. Pointing out that the idea that an individual citizen 'knows exactly what he/or she wants on every subject and is endowed with preferences that are fixed once and for all' (Callon et al., 2009, p. 115) is 'an obstacle to the political treatment of uncertainties' (p. 135), Callon et al.'s theory of the hybrid forum emphasizes the importance of attention to shifting identity.

Room for changing identities seems particularly important as many private food standards have been criticized as reinforcing neo-liberal discourse that defines individuals solely in terms of consumptive behaviours. Guthman (2007, p. 473) argued that 'troubling political rationalities' of private standards are to reinforce neo-liberal ideology that believes that 'the state cannot govern, that labor is property, that property is protective, that markets can self-regulate, that consumption choices are meaningful exercises of freedom'. Such consumer identity is limited in its political potential, as it tends to privatize issues of safety and quality of food, failing to account for differential purchasing power of different citizens. Many laypeople enter the debate on food standards identifying themselves as 'consumers'. This is understandable, but if this is the only identity available, the democratic potential of private standards is significantly limited.

Therefore, future research needs to examine how the process of standard setting by SCCC might be accompanied by ‘inchoate, emergent, and evolving voices’ (Callon et al., 2009, p. 143). Scholars who have analysed SCCC point to its encouraging history. While many SCCC women join it primarily as a way to better serve their children and husbands, SCCC does not simply provide a shopping option for housewives – rather, it has provided a space for politicization of consciousness and radicalization. Many female members initially identified themselves primarily as ‘consumers’ but around the 1980s, they instead started to use the word *seikatsu-sha* (person pursuing livelihood) (Ito, 2002). Amano (1996) analysed *seikatsu-sha* as a holistic concept that included not only consumption of goods and services but also production, labour, relationship with the environment, and the life and death of human beings. With this shift in identity from consumer to *seikatsu-sha*, SCCC women’s activism has expanded to include ecology, labour rights, state welfare, peace, and gender equality. SCCC has, therefore, changed many women who were identifying themselves primarily through a gendered consumer role (to buy quality, safe food as a good mother and wife) to *seikatsu-sha*, who go beyond a privatized realm of consumption to deal with broader gender, political, and ecological problems. Whether the new radiation standard by SCCC will be rooted in consumer identity or *seikatsu-sha* identity, and how the discussion might change the interpretation of *seikatsu-sha* itself merits further analysis in the future.

## Notes

1. Becquerel (Bq) measures radiation emitted by a radioactive material.
2. The notion of ‘boundary organization’ (Guston, 1999) also comes to mind when discussing collaboration between expert scientists and laypeople. Callon et al.’s (2009) theorization of hybrid forum has more emphasis on how to democratically facilitate collaboration between scientists and laypeople and to think more critically about issues of identity and differences among laypeople, not only between laypeople and experts.
3. By delegative democracy, Callon et al. (2009) refer to traditional representative democracy in which society enlists specialists and experts to create knowledge and policy.
4. Ukraine, for instance, has stricter cesium standards for staples such as potatoes at 70 Bq/kg and bread at 20 Bq/kg (Foodwatch, 2011).
5. After the news, 10 prefectures started to test all cattle.
6. Tea had 193 contaminations out of 2,227 tests (8.7%), seafood 195 out of 6,003 (3.2%), and beef 232 out of 62,427 (0.37%) (Suzuki, 2012).
7. However, for rice and beef, the new standards will apply from October 2012.
8. At least 14 Aeon stores were found to have sold about 420 kg of the ‘cesium beef’. In terms of the coverage of Aeon testing, Aeon tests samples of agricultural produce from its own seven farms once per week, and for its private brand (PB) products, it asks contract farmers to test samples once before shipment. From September 2011, it started to test samples of rice from each silo. For fish, salmon, mackerel, bonito, and saury, Aeon conducts a test on a sample once a week (Kanda et al., 2011).
9. Ito-Yokado started testing all beef from August 2011, after it was found to have sold 2,651 kg of contaminated beef at 94 stores (*Yomiuri Shinbun*, 2011a).
10. Despite the predominance of women and its progressive politics, whether SCCC is ‘feminist’ or not in relation to its political activism has been a topic of considerable scholarly debate. See, for instance, Ogai (2005) and Ueno (2004).
11. SCCC has a series of independent standards for food quality and safety called independent criteria, which are set by the IMC. The Independent criteria are composed of agriculture, fishery, livestock, processed food, toiletry, packaging, and microorganism criteria. There are many criteria for each type of product; for instance, there are more than 90 criteria for agriculture, divided into subsections, from soil fumigation to organic phosphorus chemicals. Each supplier annually reports her performance in relation to each criteria. Kimura (2010) discusses the process in more detail.
12. 82% of these public comments favoured even stricter standards, while only 40 comments said that the new standards were too strict.

13. Only one company in the survey ventured to say something to the government. A restaurant chain owner, Zensho, said 'it is the reality that consumers do not trust the corporations that are using the government's PRVs. Please consider establishing new standards that are comparable to the strictest international standards that are acceptable by all citizens' (cited in *Weekly Toyo Keizai*, 2011).
14. Space does not allow this article to elaborate on SCCC's efforts in reconstruction and anti-nuclear activism. Just a few examples: SCCC members donated more than JPY4 million to the affected areas and many local SCCC's have sponsored evacuated people in their areas. SCCC also helped to collect signatures for a referendum on nuclear power. For instance, Tokyo SCCC helped to collect more than 300000 signatures in two months, which was necessary to ask for a referendum by the Tokyo Metropolitan government in 2012.
15. Daichi wo Mamoru Kai (Association to Protect Land) started as a direct sales business between organic farmers and consumers in the 1970s and sells organic food by mail order. Catalogue House started as a health equipment company and currently sells various items including food with ecological sustainability as its principle; it set new standards based on Ukraine's example.
16. Rokkasho Nuclear Reprocessing Plant is operated by Japan Nuclear Fuel Ltd. (JNFL), an industry consortium led by Tokyo Electric Power Co. It reprocesses spent fuel from 54 domestic nuclear plants that exist in Japan.
17. The Round Table argued that both internal and external radiation ought to be considered; that the food that Japanese consumed more of ought to have stricter standards; and that the standards should be considered still provisional and subject to revision on a continual basis. They also asked for more research on the impacts of strontium and plutonium.

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# **Pushing the Boundaries of the Social: Private Agri-food Standards and the Governance of Fair Trade in European Public Procurement**

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**Abstract.** This article examines how fair trade and associated private standards are integrated into European public procurement. Procurement law is guided by principles of equity, non-discrimination, and transparency; one consequence is that legal obstacles exist to fair trade being privileged within public purchasing. Taking an agency-based approach, evidence from Wales reveals how fair trade's passage into procurement practice is negotiated and legal risk framed by different actors. This process exposes contestations over values that reflect wider dynamics between global civil society activism, public management bureaucracies, and neo-liberal rationales. Focusing on processes of governability, it is argued that there is a need to keep agency, power and knowledge in view within the dynamics of local transformation, rather homogenizing these dimensions as part of a technical process. Pushing the boundaries of the social in public procurement reveals how practices and knowledge on ethical consumption enter into a new governance arena within the global agri-food system.

## **Introduction**

Public procurement involves vast government expenditure and can be a powerful vehicle to enhance sustainability goals (Morgan, 2008; Arrowsmith, 2009; Le Velly, 2012; McMurtry et al., 2013). European social movement organizations (SMOs) promoting fair trade recognize this potential: 'contracting authorities have a significant role in stimulating socially-conscious markets, demonstrating socially responsible governance and setting the example for citizens' (EFTA, 2010a, p. 4). To this end, fair-trade products are purchased by public authorities, from institutions that include the European Parliament and United Kingdom (UK) House of Commons to schools, leisure facilities and offices run by local authorities (ICLEI, 2006; Fairtrade Foundation, 2007; EFTA, 2010b).

Nevertheless, incorporating fair trade and associated private standards into public procurement is not straightforward: a public procurer cannot simply decide to order a fair-trade certified product and proceed. Reasons why obstacles are experienced

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will be elaborated and relate, first, to the status of fair trade as a social consideration in public procurement, which generates legal ambiguity and policy controversy. Second, the obstacles relate to the fact that public procurers cannot privilege specific ethical trade labels/certification<sup>1</sup> if non-certified products that meet similar sustainable trade standards are precluded from access to the contract (EC, 2010a). These issues associated with procurement law raise broader concerns related to the motivation of public actors in purchasing products associated with civil society activism. In this respect, fair trade represents a minor area of spending within public budgets and the significance imputed to it by SMOs is not self-evident to procurement professionals, nevertheless it has gained a place within sustainable procurement. Having emerged from a different epistemic community, the process of incorporating fair trade is part of knowledge in the making, generated through transactions based on actors' agency (Knorr Cetina in Arce and Fisher, 2007).

To consider this topic, the article is guided by the following questions: first, how does public procurement in Europe incorporate a social movement to promote sustainability goals through fair trade? Secondly, as signifiers of quality, how and to what extent do private standards for fair trade achieve legitimacy within European procurement law and decision-making? Third, what issues does the example of fair trade in public procurement raise for an understanding of contemporary use of private standards in public governance?

Focusing on fair trade within public procurement helps reveal how practices and knowledge on ethical consumption enter into a new governance<sup>2</sup> arena within the global agri-food system. To do so, the article takes an agency-based approach (Arce and Long, 2007) to capture the role played by procurement actors in legitimizing the incorporation of private standards within procurement practice. Loconto and Busch (2010) argue that it is through the entanglement of standards, intermediaries and technologies into supply chains that forms of self-governance emerge. Strength of an agency-based approach is that it captures how private standards are framed and contested through actors' room for manoeuvre (Clay and Schaffer, 1984) in the generation of new practices within public governance. Published data examining fair trade in public procurement is limited; an understanding of the political process of negotiating values for fair trade within procurement functions, i.e. of incorporating standards and of managing associated risk, contributes to studies that demonstrate how the dynamics of standardization work, particularly at intersections between global, national, and local configurations of governing (Higgins and Lerner, 2010).

Methodologically, the discussion combines secondary analysis on procurement issues within the European Union (EU) and central UK government with primary research on the public sector in Wales, a devolved region of the UK. Methods of data collection include 25 semi-structured interviews with representatives of the UK fair-trade movement, procurement managers, and local authority sustainability and catering managers (in 2006, 2009 and 2010).<sup>3</sup> In addition a survey was conducted through telephone interviews with catering and/or procurement managers in 19 of 22 Welsh local authorities and one other public authority, the Welsh Government (2010). The survey identified three case studies for further analysis: Carmarthenshire County Council, Cardiff Council, and Welsh Government. Data from interviews is coupled with participant observation undertaken within Fisher's role as Senior Project Manager for Sustainable Procurement in the Welsh Government (2005–2008) with responsibility for fair trade (Fisher, 2012).

We turn to introduce the theoretical orientation of the article; this is followed by sections on private standards, fair trade in European procurement law and policy, UK government guidance on fair trade, and empirical data on public procurement in Wales.

### **Private Standards and Public Governance**

Private standards constitute a form of non-state regulation within the global agri-food sector (Henson and Reardon, 2005; Reed, 2012). Put forward by corporate and non-governmental actors, they have evolved out of state regulatory controls and in response to consumer concerns about food safety, quality, and production conditions (Henson and Humphrey, 2010). As such private standards perform two key functions: product differentiation and risk management (*ibid.*). They are part of a wider 'tripartite standards regime' (Loconto and Busch, 2010, p. 507) that includes standard setting, certification and accreditation, and reflects evolving governance processes in which state-based systems have shifted to networks of regulation that incorporate state, corporate, and non-governmental actors (Giovannucci and Ponte, 2005). These configurations permit a new modality of voluntary regulation intended to build consensus across different actors and their interests, as technical agreements central to the smooth operation of markets are negotiated. This raises important issues regarding what takes place as different actors' interests come together around these technical agreements, and whether or how these interests change through time, across contexts, and according to scale.

Over the last two decades there has been substantial debate about the part standards play within wider processes of change in agri-food governance (e.g. Busch and Bain, 2004; Hatanaka et al., 2005; Henson and Reardon, 2005; Henson and Humphrey, 2010; Loconto and Busch, 2010; Fuchs et al., 2011; Tallontire et al., 2011). Far from being straightforward technical concerns, it is argued that standards simultaneously reflect and change social relationships and power dynamics, with diverse consequences for different actors (Hatanaka et al., 2005). These processes raise questions over how standards have become significant mechanisms for governance (Higgins and Larner, 2010), linked to the issue of how non-state regulation through standards transforms the public and private spaces within which social relations are enacted. Considering the relationships of standards to socio-political change, recent debates have focused on issues of democracy, legitimacy, inclusion, and sustainability (Fuchs et al., 2011; Henson, 2011). Discussions raise positive and negative aspects about quality standards, with potential for greater stakeholder engagement in regulatory mechanisms (O'Rourke, 2006) set against concerns over power dynamics favouring the private sector (Busch and Bain, 2004).

Exploring the dynamics of processes of standardization, post-structural studies have drawn on Foucault (e.g. 1991) to consider how standards act as technologies for governing conduct at a distance (see Higgins and Larner, 2010). When linked to wider organizational and social rationalities, these processes of governmentality are held to transform the domains of governance through which technologies are constituted. Such studies underline how standards reshape governance rationalities and wider political economies in both specific and contingent ways. Within broader discussions on neoliberalism, a focus on governmentality has permitted analyses of how techniques form part of assemblages in which a 'mobile calculative technique of governing can be decontextualised... and recontextualised in mutually consti-

tutive and contingent relationships' (Ong, 2006, p. 13). This perspective has value for understanding commonalities in governance dynamics across diverse organizational contexts; however, a common criticism is that it overemphasizes the power of formal organizational rationalities (Arce and Long, 2007; Higgins and Larner, 2010).

Arce and Long (2007) make a conceptual shift from governmentality to governability: in so doing they reject the idea that the state and other institutions simply impose on people's subjectivity and actions. Instead they argue that governability places greater weight on the dynamic of local transformations generated by actors bringing together different interests, resources, values and knowledge to shape political and organizational groupings, interests and ideologies. This permits elucidation of the social in processes of governance, rather than seeing the social or cultural field as a vagary unable to shape the abstraction, movement and contextualisation of global forms (e.g. Ong, 2006). What constitutes the social for Arce and Long remains abstract; however, in our view a strength of this orientation is that it permits actors agency to remain conceptually visible.

Part of the challenge then becomes the need to delineate how governance encounters can generate contradictions, ambivalence and discord in ideas, values and expertise, and not simply harmonious negotiation. This is different from Miller et al.'s position (2010, p. 26), in which 'calculative expertise' is a means through which the 'linking up and mixing up of so many actors, agents, and aspirations is achieved'. They argue that this enables a reconfiguration of processes of governing in ways that attenuate or break down conventional dichotomies such as state versus market or science versus economy. We agree with the notion of dichotomies breaking down but there is a need to take into account the politics of processes in which different knowledge and rationales come together and rather than being 'technically homogenized' through calculative expertise are situated in an edgy relationship, as actors seek to transform institutional practice.

Strathern (2004) reminds us of the need to question how knowledge is transmitted from one community to another: what happens to knowledge about fair trade when it enters new institutional contexts and what can we infer about procurement communities from knowledge on its travels? How do different understandings of trade justice become drawn into negotiations over the legality of fair trade and private standards (ethical trade labels/certification) in procurement? These questions point to a shift in the semiotics of fair trade: Goodman (2004) has argued that fair-trade commoditization processes incorporate morally charged links between fair-trade producers and consumers that are forged semiotically through discursive and visual narratives that are part of a 'political ecological imaginary' (*ibid.*, p. 892). In public procurement the semiotics of fair trade become dominated by a legal discourse, with the moral charge transformed into a language of the risk of litigation; the political ecological imaginary is glimpsed only occasionally within broader narratives on sustainability or the materiality of the real politik, such as mobilizing a sense of national identity and social justice as part of devolution in Wales (Fisher, 2012).

Ideas about risk necessitate clarification on how we use the term given an extensive theoretical literature. Here it is understood to be a legal notion, related to risk from uncertainty in interpretation of procurement law and regulations for public contracts in the context of the perceived threat of legal action by the European Commission or private companies, amongst others. For public procurement, risk is an 'organizing concept' embodying ideas of risk management that pervade contemporary service delivery in the face of public crises (Power, 2004, p. 9). This raises

questions over the values that underlie risk assessment; in procurement new ideas on fair trade and private standards introduce controversy over values, not because they relate to social values that are shared but internally inconsistent, but because established values – and therefore ways of perceiving and acting on risk – are brought into question through sustainable procurement (see Whipple, 1992).

It is in this milieu that the concept of authority gains importance. Legal authority is central to notions of legal risk, being closely linked to the enforceability of contractual arrangements that underpin the procurement process. Without regard to appropriate authority, decision-making within the procurement process and a subsequent contract may be challenged or be deemed invalid (Jones and McCracken, 2007). Procurement of fair-trade products is not supported by a well-established body of European case law and is associated by procurement professionals and their legal advisors with uncertainty due to fair-trade's origins in SMOs and legal ambiguity over the use of private standards. Authority is therefore contested and linked to 'interpretative flexibility' in institutional risk assessment (Rothstein and Downer, 2012, p. 796).

In the absence of European case law on fair trade (until May 2012, see below) different judgements are made about risk, generating varying responses: on the one hand, procurement professionals may proceed with extreme caution to avoid legal action and to retain the political credibility of public procurement. On the other hand, desire to act on sustainable procurement and lack of established law and practice may lead procurement professionals to approach risk in ways that seek to redefine authority from the point of view of the grassroots and public interest on sustainability. A question for processes of governability then becomes why different courses of action are followed.

### **Private Standards for Fair Trade**

Private standards for fair trade have specific (evolving) characteristics with significance for how they can be incorporated into public procurement. Henson and Humphrey (2010) distinguish between standards set by public and private entities and the degree to which they are mandatory and voluntary. Private standards 'are set (created) by commercial and non-commercial entities'; the extent to which they are voluntary 'depends on the form and level of power wielded by the entities adopting those standards' (*ibid.*, p. 2). Within this typology, fair trade represents international standards that are private and voluntary, although they connect to compliance with public standards, such as International Labour Organization conventions. They also focus on characteristics integral to the production process rather than intrinsic qualities of the product.

Private standards for fair trade started to emerge in the late 1980s. Driven by alternative trade organizations, standards were a means to ensure the conditions of production to consumers and to generate wider markets, permitting products to circulate within conventional retail networks (Tallontire, 2006). This led to the development of quality assurance systems, including standard setting and third-party certification by fair-trade organizations linked to accreditation by standards development organizations such as the International Standards Organization (ISO 65) and Social Accountability International (SA8000). At an early stage there was a bifurcation between quality assurance through standards and certification for fair-trade products (e.g. FLO/Fairtrade International accreditation) and for fair-trade

organizations (e.g. World Fair Trade Organization accreditation). The existence of multiple private standards for fair and ethical trade adds further complexity.

Governance challenges within processes of standard setting, certification and assurance for fair trade are well documented (e.g. Raynolds, 2009; Dolan, 2010; Tallontire et al., 2011). Important is how processes driven by civil society have opened up to include corporate actors but with variation within the dynamics of these processes (Gereffi et al., 2001). This manifests in a mix of corporate and SMO driven dynamics, ranging from those for whom fair trade standards and certification are a means to gain greater market share through product differentiation to others with broader social ends (Raynolds, 2009). To purchase fair trade products public procurers enter into this complex field, one complicated by obstacles to procurement, as we describe below.

### **European Public Procurement and Fair Trade**

The Public Procurement Directives adopted by the European Parliament and the Council of Ministers in 2004<sup>4</sup> are the overarching legislative framework for public procurement within the EU, although revised legislation is being adopted with agreement over change expected in 2013. These Directives, based on the single market and freedoms enshrined in the 2008 Treaty on European Union, harmonize requirements on public procurement in the EU above certain thresholds<sup>5</sup> by putting in place rules on 'how to buy' and ensure 'contracting entities shall treat economic operators equally and non-discriminatorily and shall act in a transparent way' (Client Earth, 2011, p. 4).<sup>6</sup> Below these thresholds, principles of equity, non-discrimination and transparency must still apply.

The Directives 'encourage free trade by promoting a level playing field for international competition, developing non-discrimination through transparent award procedures, and fostering efficiency through ensuring effective delivery on the best possible terms' (EC, 2012). This interplay of efficiency, effectiveness and economy is encapsulated in the notion of value for money, central to contemporary procurement and linked, particularly following the global financial crisis of 2008, to efficiency savings. Value for money captures profound change to European public bureaucracies from the 1980s, reflecting, in the words of Power (1997, p. 43), a 'desire to replace the presumed efficiency of hierarchical bureaucracies with the presumed efficiency of markets'.

The Directives are consistent with and draw on the World Trade Organization's (WTO's) General Procurement Agreement (GPA) (Arrowsmith, 2003).<sup>7</sup> They are transposed into the national laws of each member state to ensure accountability and prevent fraud and corruption (EC, 2012). These governance processes mark a move away from protectionism towards the incorporation of market principles into public procurement and curtail the ability of governments to use public markets as policy vehicles that create barriers to open competition (McCrudden, 1998; Arrowsmith and Kunzlik, 2009). In effect, the Directives establish a technique of governance to integrate market principles and homogenise procurement practice across the 27 member states of the EU.

#### *The Technicality of the Social in Purchasing*

From the perspective of the EC, fair trade is categorized as a social consideration in public procurement (EC, 2010a). This raises issues for procurement law related

to the Directives. To explain, the primary objective of procurement is identified by the WTO/EC and member states as the acquisition of goods, services or works on the best possible terms. This objective is functional, relating to what is consumed by government, and is the basis upon which contract awards are made (Arrowsmith and Kunzlik, 2009). Policy objectives falling outside this functional aim are horizontal (or secondary) being defined by characteristics with aims beyond the main objective of procurement (EC, 2009). Seeking to benefit producers in developing countries through the procurement of fair trade goods is an example of horizontal policy. Fair trade also generates controversies over whether procurement law can differentiate goods according to their production characteristics, rather than material or functional characteristics of the end product.

Beyond general issues of whether and how fair trade can be purchased, public procurers can not privilege specific ethical trade labels/certification (i.e. related to private standards) because they may introduce discrimination by precluding products that meet similar sustainable trade standards from access to the contract (EC, 2010a). Given that private standards are extensive within fair and ethical trade, this goes directly to the question of how they can be encompassed within public procurement. The EC is clear (in non-legally binding guidance) that when a contracting authority wishes to purchase 'ethical trade goods', 'it can take appropriate considerations into account in the tender specifications, but it cannot require the products to bear a specific ethical trade label/certification' (EC, 2010a, p. 31). An issue that emerges is that a range of labels signify ethical trade but they are not all equal with respect to qualities such as labour standards and producer empowerment or, pertinently, to legitimacy within the fair trade movement, given that some labels are more closely associated with corporate interests than others.

The parameters of value for money and how fair trade and relevant private standards can be incorporated into public procurement is the subject of policy boundary shifts shaped by the evolution of case law, EU politics, and SMO advocacy. There is growing acceptance of the use of horizontal policies in procurement but nevertheless their use is open to interpretation due to the dynamic nature of case law (Arrowsmith, 2003; Arrowsmith and Kunzlik, 2009; Client Earth, 2011).

An example of legal dynamism relates to a 2012 ruling from the Court of Justice of the European Union (CJEU), which is the first piece of European case law on fair trade (Fairtrade Foundation, 2012).<sup>8</sup> In May 2010 the EC referred the Netherlands to the CJEU over a call for tender for the supply and management of automatic coffee machines by Noord-Holland Province (EC, 2010b), due to a complaint to the EC by Douwe Egberts<sup>9</sup> (Scholten Verheijen, 2011). The Province wanted to procure sustainably with regards to environmental and socially responsible methods of production. The EC argued that it was infringing EC procurement regulations because the notice for tenders requested bidders to supply beverages with specific labels: EKO and/or Max Havelaar (EC, 2010b). Although equivalent labels were acceptable, the Province did not specify substantive criteria regarding which labels would be considered equivalent.

Passing judgement on the 10 May 2012, the CJEU concluded that the Province had not respected the current EU Public Procurement Directive by requiring products to bear a specific label and for the way it required bidders to prove suitability requirements and minimum capacity levels. However, the Court clarified that it is compatible with the current EU Public Procurement Directive to define the minimum requirements of products in the technical specifications plus to give extra points in

the award criteria based on considerations of environmental or social nature and to products 'of fair trade origin' (CJEU, 2012). It also gave advice that to incorporate an ethical trade label, the underlying criteria should be identified and the label used as means of proof. This ruling is the subject of SMO advocacy for incorporation of a more progressive position on fair trade into procurement law (Fairtrade Foundation, 2012), assuming no legal appeal is successful.

### *The Politics of the Social in Purchasing*

In focusing on legal technicalities, we would argue that socio-political dimensions should not be obscured. Different institutional actors contribute to a politics of relevance for fair trade in public governance, framing how questions of value and risk are played out in debates over social issues and horizontal policies in procurement. Amongst European actors shaping this field are the European Parliament (EP),<sup>10</sup> the European Commission (EC),<sup>11</sup> the Committee of the Regions (CoR),<sup>12</sup> the European Economic and Social Committee (EESC),<sup>13</sup> and fair trade SMOs, including the Fair Trade Advocacy Office and the European Fair Trade Association.

The EP has taken a progressive stance on fair trade in procurement, calling on public authorities to integrate fair trade criteria into their purchasing policies and asking the EC to support this position (EP, 1998, 2006, 2010). The CoR and the EESC have also called on European institutions to develop strategies for fair trade in public procurement (COR, 2010; EESC, 2010). Closely associated with these public calls has been engagement by fair trade SMOs, for example through the Cross Party Fair Trade Working Group at the EP, the Advisory Committee for Public Contracts of the EC Internal Market and Services Directorate General, and the Network on Sustainable Development in Public Procurement.

In contrast to the EP, the EC's stance on fair trade is restrictive, recognizing its importance for poverty reduction and sustainable development but intending it to remain non-governmental (EC, 1999, 2009, 2010a). Although gradually changing, this is in keeping with an underlying orientation towards restricting legal options for opening up of public procurement to social concerns and related horizontal policies (Client Earth, 2010; Martens, 2010).

Knowledge and practices associated with fair trade, including the role of private standards, are subject to policy shifts and marked by dispute over what constitutes authority for legal risk. These disputes open up the techno-normative logic of the procurement regime to reveal struggles for legitimacy between European institutions, SMO actors challenging the status quo, and multinational corporations and the EC regarding the role of private standards in liberalized markets. In effect, an ensemble of elements that constitute fair trade – objects, actors, and knowledge – are transformed over time by political groupings and market interests. This leads us to ask how processes of governability are played out within a specific context: We therefore turn to consider how the EC Public Procurement Directives are interpreted in the UK and enter into procurement practice in Wales.

### **Situating Fair Trade within UK Guidance on Procurement**

Public procurement in the UK is overseen by the Office of Government Commerce (OGC), which publishes guidance on fair and ethical trade (OGC, 2005, 2008) as part

of UK interpretation of EU procurement law (OGC, 2010, 2011). The OGC Guidance (2008, p. 3) refers to 'positive steps' to incorporate fair trade, namely: 1. advertisements and invitations to tender welcoming fair trade options in supplied products; and 2. post-contract award encouraging fair trade options. It makes clear, however, that 'specifications for catering services and supplies cannot be framed in terms of fair or ethically traded requirements' and in 'the possible inclusion of fair trade options, particular labels, marks or trade names are not specified to the exclusion of others' in effect introducing discrimination (*ibid.*). With respect to private standards, it indicates 'where providers offer fair trade options, asking for products bearing the Fairtrade Mark "or equivalent" is a helpful way of demonstrating fair trade standards are being met' (*ibid.*).

Interviews for this research suggest that the OGC guidance is considered restrictive in scope by fair trade SMOs and limited in detail by UK procurement managers. The restrictive orientation of the OGC with respect to fair trade can be appreciated when placed in wider institutional context. The OGC's creation was part of a modernization drive that followed the Gershon Review of procurement in central government. This consolidated the notion of value for money, shifting the idea that government procurement decisions should be on the basis of lowest cost to a wider notion of value (OGC, 2010). These notions of value encompass sustainability goals, and typically raise questions regarding whether and how horizontal policies can be mechanisms to deliver sustainable procurement.

In principle value for money in procurement can embrace sustainability objectives, including fair trade, through frameworks such as most economically advantageous tender or life-cycle costing. However, how cost is situated within value for money and its relation to sustainable procurement remains an unresolved tension (NSPP, 2012). Indeed, in the present climate of public austerity, wider notions of value find it hard to retain a foothold in the value for money agenda. Reflecting these dynamics over value and sustainability, the OGC's position on fair trade in EU public procurement law follows a conservative line, little influenced by more progressive interpretations within EU member states such as France, Italy and Spain (EFTA, 2010). Indeed fair trade is considered peripheral, warranting limited attention (interviews X162006, X232007). We now turn to consider how procurement professionals within Welsh Government grapple with these issues when trying to incorporate fair trade into procurement practice.

### **Embedding Fair Trade in Welsh Public Procurement**

The context to the Welsh Government's<sup>14</sup> initiative on fair trade procurement was a campaign to make Wales the first Fair Trade Nation. The campaign is explored elsewhere (Fisher, 2012); it is salient, however, that it represents a political commitment to fair trade in the context of Welsh devolution, harnessing an emergent mode of legitimacy from civil society to formulate a pragmatic strategy for international development. Also pertinent is the legal duty in Welsh legislation for sustainable development to be promoted.

When work on fair trade was started in 2005, the National Assembly for Wales (2001) was consolidating its approach to public procurement. After (partial) Welsh devolution in 1999, procurement became a devolved issue (although legislation does not supersede that of the UK). In 2001 a review of Welsh public sector procurement, led to the creation of the Welsh Procurement Initiative in 2005 later renamed Value

Wales (Procurement) (i.e. the procurement section of Welsh Government) to facilitate 'smarter procurement' through value for money, to release value from efficiency savings, and to implement sustainable procurement (Value Wales, 2005).

To address Wales' contribution to international development, the (then named) Strategic Policy Unit of Welsh Government financed a secondment to Value Wales in 2005 (held by one author, Fisher) to identify and advise opportunities to build ethical procurement into public sector supply chains. Early discussions interpreted ethical procurement as focusing on fair trade, in line with the agenda of creating a Fair Trade Nation (interview X172006). This entry point for fair trade was significant; it was not integral to achieving better value in procurement, but nevertheless a focus on ethical supply chains resonated with Welsh desire to be a leader on sustainable procurement: 'Value Wales is looking beyond traditional procurement methods to deliver wider benefits [and advancing] the international focus of Welsh sustainable procurement activities' (Value Wales, 2005, p. 2).

Little prior knowledge on how to procure fair trade products was held within Value Wales, this prompted a process of web searching (e.g. the OGC, ICLEI), discussion with contacts in SMOs (e.g. UK Fairtrade Foundation, Oxfam, Welsh Fair Trade Forum), and baseline research across Welsh public authorities. It became apparent that external (non-Welsh) guidance was limited in 2005; that some public authorities were purchasing small quantities of fair trade products but others were deterred by poor knowledge, lack of legal clarity, and perceived cost implications. Procurement and catering managers demanded guidance and legal clarification from Value Wales.

Here governability is apparent, stimulated by the wider government and SMO-led Fair Trade Nation campaign, revealing knowledge in the making as procurement actors sought to frame and legitimize the incorporation of fair trade and relevant private standards into procurement practice. This involved questioning trade-related and sustainability values in procurement, assessing legal risk and establishing legal authority, and generating the 'how to buy' on fair trade in procurement practice.

### *Legal Risk and Fair Trade*

Developing guidance on fair trade was not straightforward: a representative of the Strategic Policy Unit expressed the desire to see 'Welsh guidance that sets out what can be done in contrast to the OGC Guidance on fair trade which explains what can't be done'. It was considered naive to expect that Wales could follow Italy's 'creative interpretation of the Procurement Directives' (EFTA, 2010b) but nevertheless there was 'scope for a positive approach' (interviews X232007, R12010). By this time in 2006, Wales' commitment to becoming a Fair Trade Nation had been announced, with senior politicians stressing the need for fair trade procurement.

While the Sustainable Procurement Team within Value Wales held the view that they should, in the words of the Team Leader echoing a common discourse in sustainable procurement, 'push the boundaries' to incorporate fair trade and generate 'guidance that was more progressive than the OGC's position', it was also recognized that the process needed to be legally informed (interviews X192007, R12010, R262010). This was considered imperative in order, as the Team Leader explained, 'to assess potential risk of legal action from a supplier on the grounds that a public authority was acting in a discriminatory manner in favour of fair trade products' (interview X232007).

For the Sustainable Procurement Team, the crux of the issue was whether it was possible to 'only specify *Fairtrade or equivalent*'<sup>15</sup> and therefore to exclude potential suppliers that did not offer fair trade products as part of a contract on the basis that there are enough options in the market for this approach to be considered non-discriminatory under European law (interview X192007). Furthermore, stating *or equivalent* is standard practice in public procurement; however, debate was ongoing regarding what would be equivalent to the Fairtrade Mark if, as understood from the Fairtrade Foundation, this is one of the most stringent agri-food standards for fair trade. A fear was risk of litigation by corporations selling products to the Welsh public sector bearing the Rainforest Alliance label (e.g. Nestlé). A solution, then acted upon, was incorporation of a description of elements of the standard into the technical definition of fair trade used by the Welsh Government (interview R122010).

Legal advice was sought from independent lawyers in the hope this would give scope for progressive action. Almost to the letter this advice replicated the OGC's interpretation of the EU Public Procurement Directives (Morgan Cole, 2006). Frustrated by the quality of the advice, the Sustainable Procurement Team sought a second opinion from the Welsh Government's legal team (interviews X192007, X232007). Again this advice reflected the OGC's position: in short specifications could not be framed in terms of fair or ethically traded requirements and bids could not be rejected because they did not include fairly traded options. The Sustainable Procurement Team considered the risk of legal action to be low, particularly as contracting was conducted through distributors who could draw on goods from different suppliers; nevertheless it was decided that OGC guidance had to be followed (Sustainable Procurement Team, discussion, 2007).

Frustration caused by legal advice that gave no scope for doing things differently in Wales, led Value Wales to try to influence the OGC to change the orientation of its guidance. The OGC guidelines were being revised and it was consulting on this process. Discussions were held between Value Wales, a representative of the OGC, and a representative of the central UK government Department for International Development (DFID) tasked with advising the OGC on fair trade (interviews X152006, X162007). Value Wales' desire to push the boundaries encountered reluctance by the OGC to change the orientation of guidance and equal reluctance by DFID to encourage the OGC to move towards a more progressive position; this was in the context of wider tension between DFID and the Welsh Government over international development, which is not a devolved issue (Fisher, 2012). Notable by omission was the Fairtrade Foundation as a major stakeholder in the consultation process, reflecting a period when public procurement was peripheral to the Foundation's strategic agenda (Deputy Director Fairtrade Foundation, personal communication, April 2008). Indeed further leverage could not be exerted through the UK Fairtrade Foundation, partly reflecting tension with Wales' plan to become a Fair Trade Nation, but also the limited attention the Foundation gave to public procurement. Having failed to influence the OGC, and having accepted legal guidance, the Welsh Government issued advice on fair trade in line with that of the OGC (Value Wales, 2008).

Later, after a ruling at a district-level court in the Netherlands (see note 8), further legal opinion was sought by Value Wales from legal teams in both the Welsh Government and the OGC to see whether this would find legal justification for progressive guidance and practice. Judgements from a civil court in the Netherlands were deemed to give no legal precedence although the lawyers considered whether underlying arguments were persuasive enough to use (interview R192010). It was con-

cluded that although invitations to tender could not specify only *Fairtrade or equivalent* to the exclusion of other bids, a minimum requirement (non-fair trade) and a variant (Fairtrade or equivalent) might be possible, with fair trade factored into an award decision based on an appropriate scoring mechanism, a course of action later followed by the Welsh Government, as we describe below.

The Welsh Government had sought to follow a distinctive path on fair trade procurement. This coalesced around legal advice over the perceived extent of risk generated by pushing the boundaries of social sustainability, with conflicts over authority regarding EU procurement law, its interpretation through UK guidelines, and knowledge of more progressive European best practice. The process was underpinned by an edgy relationship between Welsh government actors promoting fair trade in procurement, and other actors (the OGC and DFID) that challenged Wales' authority to push the boundaries with respect to assessment of legal risk and incorporation of fair trade into public procurement.

### *Incorporating Fair Trade through Procurement Practice*

This penultimate section focuses on how legal risk, private standards and political accountability are played out in procurement practice on fair trade within three public authorities in Wales: the Welsh Government, Carmarthenshire County Council, and Cardiff Council.

#### *The Contract as Route to Fair Trade Procurement: Welsh Government*

In 2009 the Welsh Government took, in the words of a senior procurement manager, a 'calculated risk' on incorporating fair trade into an aggregated catering contract for eight office complexes, which was subsequently won by Eurest, a multinational contract caterer (interview R192010). This calculated risk was taken because the contract was for offices of high public profile for Welsh government, which wanted to demonstrate leadership on sustainable procurement and being a Fair Trade Nation. According to a facilities manager 'we were empowered to push the boundaries on this one' (group interview R182010).

The contract was distinctive because an equal weighting of 25% was applied to cost and sustainability during tendering, including 3% weighting on fair trade. This cost/sustainability parity is uncommon. As the procurement manager explained:

'the words... fairly traded were used liberally... as the procurement of the goods was being done by a third-party contractor, we were unlikely to be accused of being discriminatory because all contractors were required to do the same thing. [Anyway] these below radar procurements do not attract the attention of the big food manufacturers and so go unchallenged, as did this catering contract. Of course I am not advocating this formally for obvious reasons, but [through] this approach to risk we now have the result we wanted' (interview R192010).

Regarding private standards, the *Fairtrade Mark or equivalent* was specified so as not to discriminate against other quality assurance schemes; however, catering managers suggested that disputes over equivalence were not an issue because the Fairtrade Mark<sup>16</sup> is so pervasive (interview R182010).

Recognition of legal risk emerges in this example when procurement officers judged room for manoeuvre while taking into account legal requirements. Unlike

the Netherlands case of the Province of North Holland described above, where the interests of the major beverage supply company Douwe Egberts were directly challenged, the perception was that the threat of litigation was low. Political visibility of the contract provides a rationale for emphasis given to fair trade as part of sustainability within regional political dynamics. Interviews conducted in 2010, when public austerity measures were starting to bite, suggested procurement officers would not have sought to push the boundaries through weighting sustainability on parity with cost (interviews R192010, R182010). As the subsequent comparisons show, authorities at local government level were far more concerned about risk of litigation and cost from the outset.

*Influencing Suppliers after Contract Award: Carmarthenshire County Council*

Carmarthenshire County Council has a good reputation for sustainability and for being a Fairtrade County (certified by the UK Fairtrade Foundation). Nevertheless, current public austerity contributes to the perception that the price premium associated with fair trade makes these products luxury items and a potentially unreasonable use of public expenditure, particularly given public demand for local produce to support Welsh production (interviews R62010, R72010, R82010). Despite this, the local fair trade campaign encourages Carmarthenshire County Council to use fair trade products in meetings and to source fair trade bananas and juice for schools.

Within Carmarthenshire County Council, contracting is the responsibility of individual departments, with project officers relying for guidance over sustainability upon Carmarthenshire's Sustainable Procurement Policy, the UK Environment Agency's Sustainable Risk Assessment, and the OGC guidelines on Fair and Ethical Trade. The limited extent of this guidance on fair trade, coupled with lack of procurement specialism, does not instil confidence that fair trade options can be specified within tendering processes. Instead, bidders are requested to volunteer information about how they fall in line with Carmarthenshire County Council's sustainability policies. In addition, due to limited knowledge of the differences between Fairtrade Mark products and those carrying equivalent labels, the words are avoided completely to ensure no risk of litigation.

Purchasing fair trade products occurs after a contract is in place, relying on good personal relations with the contract holder, and their relationships to suppliers. This permits coffee, tea and sugar bearing the Fairtrade Mark to be used within Carmarthenshire County Council and bananas and juice to be purchased for schools; regarding dry goods (e.g. rice), employees of Carmarthenshire County Council feel their 'hands are tied' because product costs would be considered politically unjustifiable (interview R62010).

In this example, concern over legal risk is prominent, especially over quality assurance pertaining to private standards, which is identified as a reason not to introduce fair trade during tendering. Despite some public support, public accountability and political sensitivity create countervailing pressure for the Council to buy local produce and to demonstrate cost savings. Nevertheless fair trade products that bear the Fairtrade Mark are regularly bought and used, with Carmarthenshire County Council employees feeling they have scope to act through building good personal relations after contract award. The Carmarthenshire County Council case contrasts with a case from the capital of Wales, Cardiff, where there is a more positive approach to fair trade sourcing.

*Sidestepping Regulations through Resale: Cardiff Council*

Demand for fair trade items to join other sustainably sourced products within Cardiff Catering, Cardiff Council's Direct Service Unit catering for primary, secondary and special-needs schools, came from secondary pupils in 2004 and was in keeping with Cardiff being a Fairtrade Capital city (interviews R02006, R92010). Students argued that fair trade was an important issue which complemented other nutritional, ethical and local concerns guiding caterers' menus. 'We have put lots of energy into bringing fair trade items in... secondary students tell us that fair trade is essential and are willing to pay a little extra' (interview R92010).

Fairtrade tea, coffee, juice, chocolate, snack bars and fruit are available for resale in secondary schools. Supplying items for resale has been a success indicated by fair trade products' share of £306,969 of a total turnover of £3.9 million in 2009–2010, having grown steadily from £255,000 out of £3.1 million total turnover in 2005–2006 (figures: Direct Service Unit). As items are resold, procurement decisions are not restricted through procurement regulations pertaining to fair trade and are sourced through a flexible snacks, drinks and confectionary contract.

Despite this positive approach, representatives of Cardiff Catering argue that they have struggled to incorporate fair trade items into procurement due to the 'complicated minefield' of the EC procurement regulations, plus the additional cost of the items (interview R92010). Cardiff Catering, like the Welsh Government and Carmarthenshire County Council, has sidestepped the issue of fair trade in procurement and legal concerns related to use of private standards by presenting fair trade products for resale, which is unproblematic within European procurement law. However, even this lawful action was threatened by Welsh legislation to promote healthy food in schools, removing availability of sweet snacks and juices. To enable Cardiff Catering to retain its level of fair trade consumption, it would need to incorporate fair trade products into kitchen ingredients – e.g. rice and sugar – with a narrow margin, the cost was deemed prohibitive.

The socio-political context of Wales being a Fair Trade Nation and the legal duty to promote sustainable development generates political commitment to fair trade in public procurement, with public support for promotion of social justice and sustainability. However, incorporating fair trade and associated private standards into procurement raises questions of legal risk, cost, and political accountability. These examples demonstrate how a procurement community has introduced fair trade in ways that involve interpretative judgement of legal risk. Processes of governability emerge in this process of local transformation, as judgements are made over the actions that can be taken to incorporate fair trade into procurement without breaking legal regulations or threatening public accountability. The dynamic nature of these processes, and shifting of procurement boundaries back and forth between cost/efficiency and sustainability, is all too apparent.

**Conclusion: Pushing the Boundaries of the Social**

This article has considered the role of fair trade in public procurement in Europe, demonstrating how it is linked to contestations over value attribution for social phenomena and over the position of private standards as mechanisms for quality assurance and risk management. Contestations emerge through the way legal risk is framed and authority questioned in decision-making over procurement law. In this respect, the semiotics of legality and risk management reveal epistemological differ-

ences between SMO-driven knowledge on ethical issues, public management understandings of value for money, and private sector rationales for promoting liberalized markets. In this sense, public procurement of fair trade plays out a decentring of the vertical organization inscribed in the hierarchy of state institutions, generating encounters with a governance orientation linked to the politics of network relationships between public, private, and civil society actors.

Despite procurement guidelines on fair and ethical trade, procurement practice is endowed with ambiguity as procurement managers seek to encompass new knowledge, be publically accountable, and fulfil demands coming from different institutional domains. Perceptions of legal risk are brought to the fore as risk management processes are enacted and legal authority disputed. Governability comes into play within the dynamics of local transformations, with actors' agency played out in attempts to redraw boundaries for sustainable procurement, generating the potential to create new and dispersed points of influence and decision-making through partial connections that link and delink the private and public. In effect, introducing fair trade into public procurement involves a situational ability to govern, encompassing different claims to legitimacy to serve the common good.

European procurement law accords legitimacy to private standards for fair and ethical trade but this remains contested. Communications from the European Commission have been clear that private standards for fair trade are part of consumer assurance schemes of non-governmental nature, with guidance stating that the *Fair-trade Mark or equivalent* can be referred to within tendering processes. This may provide quality assurance and mitigate reputational risk with regard to public demand that ethical values are upheld by the public sector. Within procurement, however, private standards bring to the fore approaches to risk related to legal processes that inform a risk-based approach to public management. With lack of precedence for fair trade in public procurement, this generates interpretative flexibility over risk, as highlighted in the contrasting ways fair trade is approached by different public authorities. Moreover, that there are a range of private standards for fair and ethical trade, and questions over equivalence between them, reveals that technically this is not a level playing field. Thus debates over equivalence expose underlying issues of power, social access, and legitimacy between different actors within and outside the fair trade movement; these processes are not a simple technical homogenization of standards for fair trade within procurement practice.

Whether private standards become a tool that governments readily use to orient ethical consumption within the public sector remains to be seen and is an issue that is difficult to extricate from wider issues pertaining to fair trade in procurement. Ideas and practices on fair trade have entered into European public procurement through a route in which values, knowledge and social dynamics associated with SMOs encounter public management rationales and private sector interests. This is not simply a question of ready integration into formal organizational rationales; people as agents remain important for how fair trade is taken up, rejected, or simply ignored and how wider thinking on sustainability is drawn on to negotiate change. In effect this reveals the way processes of governance are changing, generating complex interactions over political accountability, market principles, and expressions of civic voice concerning the value of the social in public procurement.

## Notes

1. Ethical trade labels/certification (also called social labels) are defined by the EC as ‘any non-governmental trade related sustainability assurance scheme (for example, Fair Trade, Fairtrade, Max Havelaar, Utz, Rainforest Alliance, etc.)’ (EC, 2010a, p. 31).
2. Governance refers to conceptions of governing that are not exclusively based on state mechanisms of government but incorporate new regulatory arrangements between state/private/non-governmental actors, moving towards network-based systems of regulation (Stoker, 1998; Locanto and Busch, 2010).
3. Research funding was from Welsh Government/TWIN (2010), and Swansea University (2009–2010). Between 2006 and 2008 Welsh Government funded Fisher to develop a quantitative baseline on fair trade in public procurement the Welsh Government (2006–2008); these data are not presented here. Sheppard was research assistant in 2010.
4. Directive 2004/17/EC (OJ L 134 30 April 2004, pp. 114–240) and Directive 2004/18/EC (OJ L 134, 30 April 2004 pp. 1–113); fair trade procurement falls within Directive 2004/18/EC.
5. The current thresholds under which Directive 2004/18/EC does not apply (unless an EU Member State decides otherwise) are: €130,000 for contracts for supplies/services for central governmental authorities, €200,000 for contracts for supplies/services for other public contracting authorities; and €5,000,000 for works contracts (Commission Regulation (EU) 1251/2011 of 30 November 2011).
6. Article 2 of Directive 2004/18/EC and Article 10 of 2004/17/EC.
7. Public procurement has been part of agreements within the GATT/WTO since the Tokyo Round (1973–1978) but remains a ‘plurilateral agreement’, binding only WTO members that accept it (Arrowsmith, 2003, p. 31).
8. Cases in the district courts of the Netherlands (Scholten Verheijen, 2011) are heralded as legal precedence by SMOs (Fairtrade Foundation, 2010a/b); however, procurement is reliant on the evolution of CJEU case law.
9. Douwe Egberts is now trading as D.E. Master Blenders 1753.
10. The EP is the directly elected parliament of the EU, exercising the legislative functions together with the European Commission and Council of the EU.
11. The EC is the executive body of the EU with responsibility for proposing legislation, implementing decisions, upholding treaties, etc.
12. The CoR is an EU assembly of sub-national authorities, providing a direct voice within the EU’s institutional framework.
13. The EESC is an EU consultative assembly composed of different economic interest groups.
14. The Welsh Government is the executive of the Government of Wales. The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.
15. Fairtrade is a trademark for products certified by Fairtrade International (FLO-cert.).
16. The label of the Fairtrade Labelling Organizations/Fairtrade International quality assurance system.

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## **Competing Logics in the Further Standardization of Fair Trade: ISEAL and the Símbolo de Pequeños Productores**

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**Abstract.** In light of the rise of the (semi-)private regulation of markets through standards systems, this article explores the underlying processes by which private governance is developed through two case studies of fair trade. We illustrate how there are competing logics playing out in different parts of the movement with regards to how the core values that the system is supposed to promote (i.e. fairness and smallholder empowerment) are being defined. We show that participation, as a core type of input legitimacy, is still highly contested even when it is present. Moreover, there is an intricate relationship between the tools of governance and participation. We argue that the focus on the tools is currently overriding the values of fairness on which they are supposed to deliver. We therefore propose that attention be paid to how these tools are used and by whom, so to value which aspects of fair trade.

### **Introduction**

As noted in the literature (e.g. Busch and Bain, 2004; Giovannucci and Ponte, 2005; Henson and Reardon, 2005; Bernstein and Cashore, 2007; Busch, 2007, 2010, 2011; Hatanaka and Busch, 2008; Fouilleux, 2010), we are witnessing the retreat of the State from direct regulation of agri-food markets and the parallel emergence of new forms of (semi-)private regulation of these markets. Of note are those systems of standards and their accompanying models of certification (e.g. third party) that guarantee the compliance of products to these standards. A number of actors are central to the definition of these systems, particularly non-governmental organizations (NGOs), which have created various niche products based on specific quality aspects (e.g. organic, fair trade, bird friendly). These products meet socially rooted values that respond to a specific consumer demand in certain sectors (e.g. coffee, handicrafts, and textiles). In the agri-food system, they seek to guarantee that the food is not only healthy and safe for human consumption, but also environmentally friendly, protects animal welfare, excludes child labour, and is bought at a fair price. These (semi-)private standards are often voluntary, which means that only those who wish to must comply. In reality, the need to comply with these standards is, in

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some cases, more coercive than laws and regulations as non-compliance translates into exclusion from the market (Weatherspoon and Reardon, 2003; Hatanaka and Busch, 2008; Busch, 2010).

These standards constitute truly private codes of conduct around which maintaining compliance and certification are the basis for the organization of many agri-food value chains. Their use is generalized at a global scale and is representative of the broader socio-political phenomenon of transnationalization (Fouilleux, 2010). Yet there remains a need to improve our understanding [of] how private standards are used to govern agri-food systems and their implications for relationships of power and inequality, which is the purpose of this special issue. Specifically, there is both a conceptual and empirical linkage that is missing between what is achieved and the 'underlying processes by which private governance is developed, adopted and implemented' (Henson, 2011, p. 446). This article contributes to this debate as it explores one of the most 'mature' and studied systems of private agri-food governance: fair trade.

With a 12% increase in global sales over 2010–2011 and with its Fairtrade mark heralded as the 'world's most recognised ethical label', fair trade serves as an illuminating case study (FLO, 2012c). Yet to achieve this market success fair trade has relied upon mechanisms and tools such as consumer labels, private standards and third-party certification, which are typical of neo-liberal modes of governance (e.g. Guthman, 2007; Busch, 2011) and are not specific to the core fair trade values of equity and smallholder empowerment. The influence of the market and of the chosen tools have fostered changes in the regulatory institution of fair trade (Fairtrade Labelling Organizations International, FLO) and its certification body (FLO-CERT), which have both become professionalized. These processes have created distance between producers and promoters of the initiative, resulting in divergence within the movement. This divergence exposes an empirical question that we explore in this article – that is, what is the relationship between the tools of private standards and participation of smallholders in the legitimacy of fair trade? What trade-offs are made and what does this mean for the future of the movement?

This article compares two directions through which various fair trade actors are orienting themselves through the creation of new standards and illustrates the importance of who is involved in the creation of standards and how this participation influences the way in which fair trade is changing. On the one hand, FLO is furthering the deepening of a techno-procedural logic in the development of 'sustainability' standards within the auspices of the International Environmental and Social Accreditation and Labelling Alliance (ISEAL). In this process, emphasis is placed on the establishment of rules for the creation and harmonization of standards, mechanisms to measure impacts and to control the certification processes. These codes are purposively technical and procedural, without taking into account the politics and core values that underlie the definitions of quality outlined by the fair trade standard. In this case, we argue that FLO is ceding some of its power as the sole authority on defining fair trade through this technical activity of meta-standardization, which serves a pre-competitive purpose within the broader sustainability standards movement (cf. Reinecke et al., 2012).

On the other hand, unresolved conflicts within the heart of the FLO network have led small producer organizations like the Latin American and Caribbean Coordination of Fair Trade Small Producers (CLAC) to question its hegemony. Anxious to return to the founding principles of the Fair Trade concept and to regain control over

the definition of fair trade, they have launched their own label – the *Símbolo de los Pequeños Productores* (Small Producers' Symbol, SPP). As in the past, this strategy turns to the market, employs third-party certification bodies and sets standards defining quality for the use of the label. The differences are that the regulating body (Foundation of Organized Small Producers, FUNDEPPO) is run by small producers and the standards are not procedural but rather overtly political, consisting of a code of principles and inalienable values defined through consensus among the small producers. This approach is designed to avoid the perceived dilution and mission drift seen in the principles as they have been maintained by FLO.

The main assumption of this article is that standard systems are not 'neutral', but rather the outcome of the interests of those who participate in their creation (e.g. Bowker and Star, 1999; Busch, 2011). Put differently, standard setting is a process of closing down debates over the boundaries of a legitimate definition of quality, in this case, what is meant by 'fair trade' practices or products. We further argue that once established the standards also determine the orientation and direction of the future of fair trade as a social movement. We contend that the complexities of legitimacy based on participation (Fuchs et al., 2011) are tied to the tools used to confer such legitimacy.

The article continues as follows. In the next section, we situate our analysis within the framework of existing theories on standards and models of third-party certification as mechanisms of legitimate global governance for markets and agri-food systems in a neo-liberal policy environment. We place an emphasis on the strong connection that exists between the standards and the power that they confer, despite their appearance as neutral, technical tools (Busch, 2011). In the following section we situate our cases within the controversy over the domination of FLO in the definition of fair trade standards (Ballet et al., 2012). This contestation stems first from internal processes where producer organizations are dissatisfied with their lack of participation, and second from external processes driven by competition from a multiplicity of other sustainability labels that have led to consumer confusion and allegations of 'greenwashing'. This last point has led FLO to surrender some of its authority to the ISEAL.

The two cases are then presented; first the case of FLO as an actor within the ISEAL and then the SPP as an actor that challenges FLO from within the movement. We use qualitative case-study methods (interviews, participant observation and document analysis) to document the above-noted trends in the fair trade movement. For the ISEAL case, data were collected from: participant observation at the ISEAL annual meetings, participant observation in the Assurance Code Steering and Technical Committees, analysis of public documents, standards and websites, and interviews conducted with ISEAL members between 2010 and 2012. For the SPP case, data were collected from: analysis of documents, standards and code of ethics from FUNDEPPO and CLAC; and from interviews with directors of SPP, FUNDEPPO and CLAC. In both cases we analyse the standards across three themes: 1. how the standard is developed; 2. who is involved in the definition of legitimacy as illustrated by participation in the standard-setting process; and 3. how the identified principles are mobilized within the standard-setting process. Discussions of the outcomes of these cases are not feasible as both processes are currently ongoing and results are not yet available. Therefore these cases serve to highlight current and potential conflicts in the dynamics of private governance. Finally, we draw conclusions as to the influence of these two different processes on the governance of 'fair trade'.

### Standards, Power and Participation

Standards come in different forms. Brunsson and Jacobsson (2000, p. 4) have classified them as ‘standards about being something, about doing something, or about having something’. Traditionally, standards are considered to be of two types: product or process. Product standards codify characteristics or qualities that the product should meet, while process standards codify what must be done in order to create a certain product. Recent studies push the boundaries of these definitions. For example, both product and process standards can be performance standards, which consist of measurements based on the behaviours or results of tests that are expected for performance to be considered satisfactory (Egyedi and Spirco, 2011). There is also a growing body of literature that refers to principle-based regulation, where process standards are based on vague overarching principles or desired outcomes that are used to build consensus and allow for wide-scale application (e.g. Demortain, 2012).

With the objective of guaranteeing that products conform to the standards and increasing consumer confidence in quality labels, standard setters have built complex systems of verification and certification. In the beginning, those who created the standards were those who certified their validity. With time and with an interest in obtaining greater objectivity, there was a large-scale shift by most of the certification schemes to rely upon ‘third party certification’ (TPC), carried out by specialized professional certification bodies. TPC’s reputation of objectivity and neutrality proceeds from their independence from both buyers and sellers (cf. Power, 1997). In order to guarantee objectivity and professionalism, these same agencies have become certified by other public or private agencies that monitor and accredit conformance to national or international standards, such as those of the International Organization for Standardization (ISO) (Mutersbaugh, 2005; Hatanaka and Busch, 2008). This framework of standards, certification and accreditation is a new form of trade regulation that some authors have called a ‘tripartite standards regime’ (Loconto and Busch, 2010; Busch, 2011; Hatanaka et al., 2012). Many TSRs are hybrid – that is, the standards are public but certification is conducted by private enterprises and accreditation is conducted by international or state-authorized accreditors, some of which are private and others are public. Other TSRs, like fair trade, are non-state dominated or privately regulated (cf. Bernstein and Cashore, 2007). Here the standards are developed by NGOs and there is not (yet) state intervention in their governance, despite discussions to that effect in France, Belgium and the European Union.

The process of certification guarantees that products conform to standards, but it does not provide any information about the standards. Put differently, the standards can be wrong, inappropriate or overly stringent (Busch, 2011) but the certification agency will not record this in the audit. The certification agencies do not have to do much more than guarantee that the products meet those criteria that are already fixed in the standard. They do not question the legitimacy of the definition, nor who established it (Renard, 2011). The role of TPC is thus seen purely as a control mechanism, rather than a feedback mechanism. As a control mechanism, the technical criteria have emerged as the easier elements to check in an audit (Riisgaard, 2010); therefore, technical requirements have taken on more importance than social aspects. This technical salience is reflected in the shift of both the standards and the certification audits toward more generalizable criteria that focus on procedures, systems and policies that are easier to audit.

The relationship between standards and certification elucidate the academic interest in standards as tools of governance. A standard consists of criteria that form

the basis for a judgment about how well the product or process conforms to the value or principle that has been codified in the standard. This act of judgement is a demonstration of power by those who take certification decisions (Mattli and Buthe, 2003; Hallstrom and Bostrom, 2010). The power is real despite its discrete nature as these standards must be complied with actively, as opposed to norms or conventions that are complied with often out of habit or mimesis. Here power appears anonymous since, once established, standards seem natural, technical and neutral and have lost clear identification of who created them, how and for which reasons (Busch, 2011). Beyond standard-setting processes, compliance is required in order to be allowed to use the label that symbolizes the desired quality and hence to participate in this particular market. In other words, standards constitute criteria of market entry and exclusion, and for the redistribution of income between actors inside the value chain, converting them into a source of power for those who control them (e.g. Burch and Lawrence, 2007). Here again, not everyone is allowed to participate in the negotiations leading to the creation or use of standards (Busch and Bingen, 2006). Thus while the relationship between standards and power is well noted generally, the relationship between the type of standard and the power that it confers remains a black box.

The neutral appearance of standards also overshadows the fact that the power of who sets the rules is also the power to legitimate the definition of quality – in this case, the quality of ‘being fair’ (Renard, 2005). A much noted gap in the literature is the relationship between participation, representation and inclusiveness in the democratic legitimacy of private standards (Bostrom, 2006; Bernstein and Cashore, 2007; Borraz, 2007; Auld et al., 2008). A core feature of some private standards is stakeholder participation. Yet where participation may be open to the public, often only those people with ‘interests’ are represented. Moreover, the ability to be ‘interested’ is also constricted by financial and economic power (as this work is most often voluntary), where marginalized groups, particularly those from southern parts of the world, are often not considered (Hallstrom and Higgins, 2009). The dynamics of participation and legitimacy are further complicated by the fact that social and environmental standard setting is dominated by a consensus-building model (Bingen and Busch, 2006; Busch, 2011). This model supposes that participation in consensus-building meets democratic legitimacy requirements and that conflicts are resolved through this process. Yet conflicts may remain unresolved and can re-emerge later in time only to be resolved in light of new controversies, as may occur with the push towards mutual recognition in the case of the ISEAL. Alternatively, they may lead to a schism between participants, as we will illustrate in the case of the SPP. In sum, standards are almost always the result of a negotiation between the various ‘interested’ parties involved in that particular market. This poses the empirical question of how participation produces standards that legitimately define the quality of ‘being fair’.

### **Challenging FLO Hegemony**

A global movement for fair trade was the result of collaboration among national labelling initiatives (NIs), such as Max Havelaar and TransFair. These NIs created the umbrella organization of FLO in 1997, and since then FLO has dominated the qualification and standardization of fair trade around the world. This domination has persisted, even to the point where alternative trade organizations (ATOs), who

were initially opposed to FLO's strategy to mainstream fair trade through conventional market channels, have even begun to adopt the FLO label (Ballet et al., 2012).

This hegemony over the definition of fair trade and its standards is nonetheless questioned both within and outside of FLO. From the inside, producer organizations such as the CLAC have long been contesting the direction of the fair trade movement promoted by FLO. As noted by other scholars (Renard and Pérezgrovas, 2007; Renard, 2010, 2011; Jaffee, 2012), the growth of fair trade and the professionalization of its administrative and regulatory bodies has resulted in a marginalization of producers in the system. Over the years, the distance between the bureaucratic hub of FLO and the small-producer organizations increased dramatically as did the control by Northern countries over the activities of Southern producers (Yépez and Mormont, 2006). Many of the decisions that were made by the administration of FLO were completed 'behind the backs', or contrary to the opinion, of the producer organizations; the latter, in turn, were marginalized in the processes of registration for members and users of the label, the standards development process, and the commercial decisions taken by NIs and integrated committees of Northern representatives. Thus while claiming representation, inclusiveness was not the result.

For years, producers organized in CLAC fought to achieve a greater balance of power in the FLO decision-making bodies, specifically in the FLO Board, which was made up exclusively of Northern NIs. They succeeded in securing four positions for producer representatives on the Board (Renard and Pérezgrovas, 2007). Nevertheless, they are still a minority compared to the five NIs, two commercial representatives (one ATO and one conventional), and three 'external experts', all of whom come from Northern countries. All full members can participate in the Annual General Assembly, which translates into more than 20 NIs and the three producer networks: CLAC, Fair Trade Africa and the Network of Asian Producers (NAP).<sup>1</sup> This also represents an imbalance of power between producer and consumer countries. Ample presence of producers is not found in the other committees (standards, finance and nominations) either.

The FLO standards are elaborated within a single technical unit, the Standards Unit, and are supervised by the Standards Committee, which is dependent on the Board. Both stakeholders (producers, NIs and traders) and external experts participate in the Standards Committee, but too often producer opinions are not taken into account. A recent example of this is the adoption, by FLO, of standards for Fairtrade gold (from Peru) against opposition from Latin American organizations and their counterparts in Africa and Asia. The producers argued that the mine should not be certified for Fairtrade based on ecological (soil erosion and water contamination) and social reasons (work conditions, child labour and the danger it poses to subsistence agriculture), all of which go against the principles of fair trade (CLAC, 2009).

Finally, in the movement towards increasing the independence and impartiality of the certification process, the audits and certification decisions have been separated from the other FLO activities with the creation of a separate entity called FLO-CERT (est. 2004). This body holds a monopoly on certification against FLO standards, meaning that no other certification body can provide these services.

Among the unresolved conflicts between FLO and producers are the criteria that govern who can be certified. On the supply side, the producer organizations criticize the increased certification of plantations. The argument is made that fair trade was created to empower the small-producer cooperatives and that plantations were allowed initially only for those products, such as tea, that were mostly cultivated on

large holdings.<sup>2</sup> Over the years, pressure from NIs, particularly from TransFair USA, introduced the certification of plantations for the majority of products in the FLO system. This opened fierce competition with small producer cooperatives, as in the case of bananas (Barrientos et al., 2007; Renard and Pérezgrovas, 2007). Producer resistance impeded the entrance of coffee, cocoa and sugar plantations into the system. This was, at the time, the reason for the exit of TransFair USA from FLO, who fought for the inclusion of coffee plantations to satisfy the demand from Starbucks and other corporations in the US. On the demand side, the producers criticize FLO for allowing the certification of transnational corporations who only purchase a small amount of their supply according to fair trade conditions. This has been qualified as 'fair washing' and constitutes unfair competition with those buyers who purchase 100% of their supply under fair trade contracts (Renard, 2005; Jaffee, 2007; Reed, 2009). Corporate pressure, despite producer protest, also kept the minimum price for coffee frozen until 2007 even though producers suffered, in real terms, a 39% loss in price (Bacon, 2006). The purchasing power and the volumes that these corporations handle have contributed to a dilution of the FLO standards, particularly on those points that distinguish the FLO model from other 'fair' models, i.e. the guaranteed minimum price and the types of producers allowed to participate.

As noted above, the hegemony of FLO in the definition of fair trade was further put into question when in 2011, TransFair USA changed its name to Fair Trade USA (FTUSA) and announced its split from FLO and its associated standards. This decision was justified as follows:

'We merely seek to apply the fair trade standards consistently across all producer groups in all product categories. Today fair trade standards successfully support both cooperatives and farm workers simultaneously in tea, flowers and bananas, but not in coffee, sugar or cocoa. As a model that seeks to alleviate poverty and empower farming communities, this inconsistency and systematic exclusion within the fair trade system is no longer acceptable' (Fair Trade USA, 2012).

This justification illustrates the key point of contention – that is, which type of farmer can participate in 'fair trade'. Thus while FLO stood its ground in terms of its promotion of smallholders, both CLAC and FTUSA challenge the hegemony of FLO to define 'fairness'. The market motivation of FTUSA is clear. FTUSA never adopted the blue–green product label of FLO, preferring to keep its own white–black TransFair label. The power that FTUSA's high volume turnover and the large quota afforded to them within FLO explains why the use of the alternative label was tolerated for so many years. This also allows FTUSA to easily create distance from FLO since US consumers already equate the FTUSA label with fair trade. In turn, FLO has now announced that its blue–green label will also be available in the US market, thus ushering in a fight for that fair trade market.

The hegemony of FLO is also challenged by the presence of other competing labels in the market. In response to fair trade's market success, a multiplicity of 'sustainability' and social responsibility labels created by NGOs and multi-stakeholder initiatives are now seen (e.g. Rainforest Alliance and UTZ Certified, adopted mostly by large corporations such as Nestlé, Sara Lee, Mars Chocolate, and Unilever). As FLO-CERT possesses a monopoly on the certification of fair trade, the leading certification agencies specialized in sustainability standards also created their own 'fair' labels. Examples of the latter are the Fair for Life label by the Institute for Market-

ecology (IMO Control) and the Fair Choice programme from Unión Control. These alternative labels were adopted by a handful of US coffee roasters who purchase 100% of their product under fair trade terms and by Equal Exchange, a pioneer ATO in the US. Equal Exchange discontinued the FTUSA model in 2004 because of the model's corporation-friendly policy (Jaffee, 2010). Finally, there is a push towards increasing certifications for additional qualities – for example, certification models for environmental or 'green' products, beyond organic standards, fair trade criteria plus ethical criteria and additional standards that focus on labour conditions. Fierce competition between labels is rampant, contributing to consumer confusion and a loss of confidence in the certification mechanisms in general.

The response to these tendencies is movement in two, seemingly opposite, directions. First, there is an interest in collaboration among the largest 'sustainability' standards to develop a set of meta-standards (within ISEAL) that govern different aspects of their creation, monitoring and assurance and thus attempt to reduce competition and increase the credibility of participating standards. In the other direction there is an attempt by producers to return to the initial principles of fair trade, utilizing the same market tools (standards, labels, third-party certification), but under the control of the producers rather than international NGOs, through the SPP. In the next sections we explain the dynamics of these two directions by focusing on participation in the standard-setting process and how the principle of 'fair trade' is contested.

### **The ISEAL Process**

In their public statement regarding the fissure between FLO and FTUSA, FLO justified its vision of 'fair trade' by appealing to the legitimacy that FLO gains from its compliance with and commitment to the ISEAL standards (FLO, 2012b). ISEAL is a member-based organization, officially created in 2002, with the purpose of increasing collaboration and sharing amongst its members.<sup>3</sup> By encouraging collaboration, ISEAL attempts to remove some of the competition between members by trying to differentiate between 'credible standards' and 'greenwashing'. This differentiation is the basis for the development of their credibility tools, which create legitimacy for ISEAL and its members within the broader sustainability movement (Fouilleux and Loconto, 2012).

#### *Processes and Performance: The Credibility Tools*

The Standards Code came into force in 2004 and the revised version came into effect in 2010. With the revised version, ISEAL members were given one year to become fully compliant with the code. ISEAL members must comply with all of these 'meta-standards' within one year of their approval by the ISEAL Board; i.e. the Standards Code (2004, 2010), the Impacts Code (2010) and the Assurance Code (expected 2012). The revised standards code also introduced the requirement that all standards (members' and ISEAL's standards alike) must be reviewed and revised every four years. This transition period coincided with changes that were being made to the FLO standard, specifically the Generic Environmental Standards (GES) project and the New Standards Framework (NSF) project (FLO, 2011b). FLO first became compliant with the ISEAL standard in 2006 and this new FLO standard is also in compli-

ance with the ISEAL standard and reflects how FLO has interpreted ISEAL guidance (FLO, 2007).

ISEAL introduces both a standardized process for developing standards and standardized content (in terms of outline) for its members' standards. There is a procedural nature to the standard, as is illustrated by its terminology and content (cf. Fouilleux and Loconto, 2012). Much of the guidance is left undefined in terms of content so that members have the ability to define what procedures they will use and how they justify them. This strategy leaves FLO the sovereignty to determine how it defines sustainability (i.e. social, economic and environmental development) and how it defines fair trade. However, the vagueness of these requirements often blurs the comprehension of the intent, particularly when the standard is implemented and controlled during an audit.

To address this problem, ISEAL standards require members to simplify their standards and make them easier to implement. When principles are used, the standard must contain 'statements of intent for each principle that define the principle's aims and that provide a link between the criteria and the relevant principle' (ISEAL, 2010, p. 14). This point is reinforced with the requirement for content where 'standards shall be expressed in terms of process, management and performance criteria, rather than design or descriptive characteristics' (ISEAL, 2010, p. 14). ISEAL requires that member standards be oriented towards management systems and performance, which may be based on principles, but must be written in a way that makes the link clear and the criteria actionable. This approach is justified by an illustrative comment from the public consultation:

'there are just too many schemes out there which are mainly based on policies and procedures, not on performance. An assurance code should include the requirement that any scheme which does not address primarily performance, is mostly useless, and undermines the credibility not only of the particular scheme, but of sustainability efforts in general' (ISEAL, 2012a, p. 10).

In sum, FLO is receiving pressure from the ISEAL to make its standards performance based, rather than principle or value based.

#### *Accommodating Stakeholder Interests: Expanding Inclusiveness*

Concern has been raised over the involvement of different stakeholder voices in the meta-standards development process (Boström, 2006). Indeed, the standard-setting code requires that 'standard-setting organisations shall identify parties who will be directly affected by the standard and those that are not adequately represented and proactively seek their contributions' (ISEAL, 2010, p. 9). The development of the Assurance Code provides insight into this point. The content, terminology and broader goals of the standard are debated within technical and steering committees, which were created through a nomination process by members and the secretariat. The composition of these committees represents the ISEAL requirement of balanced interests in that there is a good mix of the three different categories of membership (full, associate and affiliate) and non-members, as well as different types of organizations representing the public, private and NGO sectors. However, there is clearly no producer representative within this committee, despite the fact that changes made to member assurance systems will affect directly the audit experience of certified

producers. The lack of a producer representative was lamented by ISEAL. They had difficulty involving producers in both the scoping of the Assurance Code and the first round of public consultation; there were only two Northern Apex organizations representing producer and worker interests out of the 43 organizations that participated in the public consultation (ISEAL, 2012a). A representative of one of the Northern Apex organizations criticised the language promoted by the code: 'Who is the audience? If this is intended to be a useful guide for those looking for less bureaucratic type schemes then language is off-putting... Terminology about audits freaks farmers out' (ISEAL, 2012a, p. 10)

When asked about the degree to which those persons participating in the technical committee received input from colleagues and management in their individual organizations, the consensus was that the involvement in the code development was an individual activity by these 'technical experts'. This was the case with FLO, who was represented by FLO-CERT. The representation of stakeholder voices, particularly those of small producers, within the meta-standards that govern FLO activities and standards is determined by FLO and its internal governance structure, not by its participatory bodies.

#### *Translating ISEAL Procedures into FLO*

The underlying principles of the ISEAL suite of standards is that social and environmental standards systems should be sharing with each other, learning from each other, and collaborating to normalize sustainability (ISEAL, 2010, 2012b). In practice, this means that ISEAL works diligently to encourage collaboration and consensus amongst its members. We can discern two immediate effects of the ISEAL process on FLO.

First, initial motivation for the development of the Assurance Code was to find a way for the members to collaborate at the level of producer audits (ISEAL, 2011). For example, FLO demonstrated compliance with this aspect of the standard as part of its shrimp standard development process. The proposal was put forward that 'an auditor does not need to check those Fairtrade requirements where it can be shown through an SA 8000 audit or ETI certificate that those requirements were met. However, a Fairtrade audit is still carried out' (FLO, 2011c, p. 1). This proposal was accepted by FLO's new Standards Committee with the rationale that it will 'make the certification system more efficient for producers' (FLO, 2011a, p. 2). To date no empirical studies have tested this rationale.

Second, the principles that fair trade continues to promote (social, economic and environmental development) are no longer explained in the SPO standard itself, rather they are listed on the website (FLO, 2012a). Indeed, in line with ISEAL guidance, the principles have become the following purpose: 'Fairtrade is a strategy that aims to promote sustainable development and to reduce poverty through fairer trade... The purpose of the Generic Fairtrade Standard for Small Producer Organizations is to set the requirements that determine participation in the Fairtrade system' (FLO, 2011a). These requirements have become simplified and focus on the promotion of processes and performance of SPO management systems.

The changes seen in FLO's standards and assurance system illustrate the power that ISEAL holds in the fair trade process (i.e. dictating the standard's structure and the structure of the assurance system). However, ISEAL's power is limited, specifically because of the procedural nature of ISEAL's standards. Thus, what is 'fair'

remains the prerogative of FLO. As standards are tools of power, ISEAL's influence is observed in the certification and accreditation processes. For example, the push on the part of ISEAL for FLO to increase mutual recognition means that those producers who have first joined other programmes can be included within Fairtrade without really being part of the fair trade network or part of the producer organizations that create FLO standards. Moreover, the push from ISEAL to create the ISO 65 model of separate certification and accreditation means that FLO-CERT is increasingly autonomous and there are no clear mechanisms of oversight where the producer organizations can influence what happens in the certification system. Finally, FLO-CERT is accredited by the German accreditation body (DAkkS) for ISO 65 and not for fair trade specific standards. This means that the German accreditation body is determining that FLO-CERT is competent to audit, but not to check that the systems that it audits are actually 'fair'. This influence poses significant challenges to linking the input legitimacy of participation with the maintenance of standards systems.

### **SPP – El Símbolo de los Pequeños Productores (Small Producers Symbol)**

Against the background of constant conflicts with FLO, in 2006 the small producers of CLAC – 300 organizations in 21 countries in Latin America, around 200,000 individuals and families affiliated and one million beneficiaries (<<http://clac-comercio-justo.org/paises-y-productos>, accessed June 2012>) – decided to create their own label, the SPP. The SPP is intended to be an initiative by and for small producers and under their control. Despite the negative experience with the professional certification system of FLO-CERT, they opted for the model of a standard, third-party certification and a label so to gain greater credibility but also to control potential abuses. However, they established a system of registration and certification designed to avoid the mission drifts that they criticize in the FLO system (FUNDEPPO, 2012).

#### *Principles, Standards and Code of Conduct: The Three pillars of the SPP*

The initiative rests on three pillars: first, the Declaration of Principles and Values, which is the 'philosophical and socio-political foundation behind the label, based on the principles and values of small producers'. The organizations that founded the SPP claim themselves to be organizations that go beyond mere economic functions:

'not only are they economic organisations, i.e., production and marketing cooperatives, but in essence are social organisations seeking to effectively and efficiently dignify the life of affiliated farmers, their families and their communities... The Declaration of Principles and Values also allows these organisations of small producers to distance themselves from the prevailing principles, values and practices of the current dominant global economic system, which are neither sustainable nor inclusive economically, environmentally, or socially' (Declaration of Principles and Values, v. 1, 5 November 2010, edn. 2).

The Declaration of Principles and Values is the foundation of all other codes and standards must reflect it. It covers three areas: one is the democratic organization, which has to be participatory, self-managed, collective, with solidarity, justice and equity, and promoting confidence, plurality and respect for local cultures. The sec-

ond area is economic justice, where the economy provides a decent living and is based on smallholders – an economy with direct marketing, quality, a sustainable price, a local market and local value addition. The third area is respect for the environment and health.

These principles and values are translated into a General Standard, the second pillar, which governs the use of the label. It contains criteria for organizations of small producers,<sup>4</sup> for buyers, collective marketing, brokers and manufacturers. Some are critical criteria, which mean that they are compulsory and evaluated in all cases. Others are minimum, in other words compulsory but evaluated only when there is a field inspection, and others are criteria of continuous improvement. The criteria can be categorized as organizational, productive, environmental, human health, labour, decent life, transparency and traceability of the commercial supply chain between producers and buyers, pre-financing, quality and criteria of origin (%) in the products. The sustainable price includes a minimum price, an organic premium and a SPP premium.

A third pillar was added to the model in order to avoid abuse, since a standard can never be all encompassing. This third pillar is a Code of Conduct that all partners, producers, buyers and manufacturers must follow. The Code of Conduct acts as a second level of protection to deter prospective members who may comply with the standard yet nonetheless engage in practices that run contrary to the General principles; for example, those who pay the minimum guaranteed price for a percentage of their products, but resort to unethical practices for the rest of their production. To sign the Code of Conduct, the members of the SPP system commit to behave according to the values of inclusion, sustainability, solidarity, respect, transparency, freedom, equity, diversity, consistency, local economy, responsibility, justice, integrity, confidentiality, honesty, quality, anti-child labour, and professionalism (Code of Conduct, v. 1, 1 December 2010, edn. 2). Any non-compliance with this code may lead to exclusion from the system. To ensure that applicants to the SPP system do indeed respect the Code of Conduct, their applications are published and disseminated. Those who object to their inclusion in the SPP system can challenge it using the complaints process laid out by the certifying body. A complaint can also be made after the fact by reporting to the Commission of Nonconformities (to date, formed by the President of the Council, the President of the Supervisory Board and the Chairman of the Standards Committee, all of whom are producers). All three pillars were approved by the General Assembly of CLAC.

The criteria that come from the Declaration of Principles and are set out in the General Standard resituate the notion of equity in trade and economic justice (i.e. fair trade itself), because they cover the dimensions of environment, labour and health with specific criteria on these issues. In the definition of who can participate the emphasis is placed on the promotion of small-scale, local production; plantations are excluded. On the side of buyers, corporate buyers may be certified. Some products such as bananas would have virtually no market if these were excluded. However, mechanisms have been put in place (i.e. the complaints and appeals processes based on the Code of Conduct) to prevent 'fair washing' strategies. In addition, the Assembly of October 2011 agreed to establish a requirement of access based on a minimum purchase volume in the SPP system: every buyer must commit to making a purchase of at least 5% of total purchases according to SPP conditions by the end of the first year of registration (General Standard, criterion 5.4.3). This decision was the subject of fierce debate in the Assembly. Interestingly it was not the producers who,

fearful for the possible loss of market, had proposed and defended this decision. Rather it was some buyers who wanted to avoid the presence of unfair competition. ATOs have finally supported the measure even though for many of them who are members of FLO, the SPP represents a double certification, since current market conditions are not yet ripe for the SPP to replace the FLO label. These ATOs wanted to be exempt from this requirement because they consider themselves to be fair trade organizations. However, the heart of the debate is precisely that the definition of fair trade according to FLO has been placed on trial resulting in this alternative. It was further decided that a certification system cannot make exceptions for the verification of its own standards. In the end, the producers argued that the balance of interests that emerged from debate represents a level of inclusiveness that is still missing from the FLO model of participation, as this space for dialogue does not exist within FLO. That is, when participation is inclusive, the dialogue is just as important as the results. Thus, the legitimating factor of participation is found through the process of participating.

### *Regulatory and Certification Bodies*

The SPP is operated by the Foundation of Organized Small Producers (FUNDEPPO), which is a regulatory body. Its governing bodies are a Board of Directors and a Supervisory Board, comprised of representatives of small producers. They depend upon the Standards Committee and the Committee of Disagreements. At an Assembly held in October 2011, it was agreed to integrate two representatives of buyers, one each from North America and Europe, into the Board of Directors to join the five producer representatives. They were also allowed into the Standards Committee (where there are four producers) in order to bring the views of this sector into the decision-making process and reach a compromise between their respective interests.

The Executive Directorate, the administrative body of the initiative with headquarters in Mexico, is composed of four people (as of June 2012): the Executive Director, appointed by the Board of Directors, and those responsible for the areas of certification, administration, promotion and communication. The example of the growth of FLO's bureaucratic apparatus<sup>5</sup> led the SPP to establish mechanisms to avoid repeating history. It eliminates the incentive to inflate the administration by making sure that a hypothetical increase in the volume of SPP labelled product sales would not lead to the retention of the label licensing fees by the administration of FUNDEPPO. Rather, mechanisms would be put into place to ensure that the producers are reaping the benefits from these resources.

The agencies licensed for verification and certification for the SPP, authorized by FUNDEPPO, are: 1. Certimex, based in Mexico and accredited for ISO 65; and 2. BioLatina,<sup>6</sup> certifier of organic products with headquarters in Peru and presence in many other Latin American countries. FUNDEPPO are contemplating the pertinence of finding a certifier in Europe, for the verification of buyers, but the problem is that those whose philosophy coincides most closely with the SPP already have their own label (e.g., Ecocert).

The SPP presents a challenge to the relationship between the standard, participation and third-party certification. The proximity between standards bodies, certifiers and producers, who are the ultimate beneficiaries of the system, runs counter to the widespread opinion that the greater the distance between who verifies, certifies and benefits, the greater the guarantee of impartiality and objectivity. Put differently, the

greater the proximity to beneficiaries, the lower the credibility. This discourse has been erected in the legitimization of the models of third-party certification, which are presented as objective and disinterested. Yet an emerging body of research has shown that the reliance on techno-scientific methods is often used as a smoke screen to shield from view the reality that true objectivity and impartiality are rarely found, even in third-party certification (Bain et al., 2010; Hatanaka, 2010). According to some of the earliest fair trade activists, this argument about the inverse ratio of proximity to credibility that opened the door to the certification professionals runs counter to the very rationale of fair trade (Pauline Tiffen in Jaffee, 2012). Alternatively, producers are most concerned about the ability to have a label that distinguishes their product and that is credible not to negatively affect their reputation; pointing to the dominant power that TPC holds as a standard for TSRs.

It remains to be seen whether the utilization of the market tools is compatible with the pretext of following values different from those of the dominant FLO market-based model. Adopting the certification mechanisms that are dominant in non-state TSRs opens the door of the 'proceduralization' of processes and initiatives. The question that remains is whether the control that the small producers exert over the regulators of the SPP will be sufficient to avoid the loss of the centrality of its principles in exchange for the market principles of efficiency and competitiveness (Renard, 2011).

## Conclusions

The history of fair trade provides context to the questions addressed in this article. As argued elsewhere (Guthman, 2007, 2008; Reed, 2009; Jaffee, 2010; Jaffee and Howard, 2010), when left in the hands of professional bodies (the certification agencies), the control of the standards escape from their original promoters and enter into the logic of competency. Combined with this, the labels turn into an instrument of market differentiation and expansion (Daviron and Vagneron, 2011). This is particularly evident when these standards are dominated by market actors who are more interested in the profit gain to be found in these niche markets. The market power that these actors wielded led to a dilution of the original principles of fair trade standards (Jaffee and Howard, 2010). The professionalization of the regulatory agencies led to a bureaucratization of the standards schemes. This bureaucratization has, in turn, created distance between standard setters and those producers for which these standards were originally created, resulting in a further marginalization of producers in the decision-making process (Renard, 2010). This leads to conflicts that can translate into the decline of a TSR as its legitimacy is questioned through competition from new, emerging standards (Hannin et al., 2006). This questioned legitimacy poses a clear challenge to the relationship between participation and the tools used to establish legitimacy in these systems.

The cases in this article show that fair trade has bifurcated. In one direction, within ISEAL, FLO attempts to enrol 'neutral' standards without political pretences. These consist of a common protocol with other labels in the attempt to avoid competition between them and reinforce their credibility in the eyes of confused consumers who have too many labels to choose from. The point here is that this is an eminently procedural approach, concerned more with how things are done and developing the processes of verification and certification to ensure that things are done properly, rather than who is benefiting and how. In the other direction, the SPP does not hide

the fact that they are directly seeking to benefit small producers, returning to the original objectives of the first fair trade labels (e.g. Max Havelaar). Neither do they hide their strong ethical–political positioning in the face of the dominant trade model. We find that both sets of standards represent those stakeholder interests that were present in their construction. This demonstrates that whoever sets the standards also has the power to define the future of ‘fair trade’. In the case of SPP, the participation of small producers in standard setting brought criteria and certification processes based on principles and values of fairness that are meant to be embodied by movement participants. On the contrary, in the case of ISEAL the predominance of professional technical experts produced performance-based standards, ‘meticulous’ and standardized processes, that are meant to construct strong and fair systems – indifferent to who participates. It is attention to these nuances that may prove important to the future of the movement.

Our cases shed light on the dynamics within one of the oldest standardized systems of private agri-food governance. We illustrate how there are competing logics playing out in different parts of the movement with regards to how the core values that the system is supposed to promote (i.e. fairness and smallholder empowerment) are being defined. These logics are important because of the reliance of private agri-food governance on the tools of standards, third-party certification and accreditation, as well as the push towards harmonization across sustainability standards systems. We show that participation, as a core type of input legitimacy, is still highly contested even when it is present. Moreover, there is an intricate relationship between the tools of governance and participation. We argue that the focus on the tools is currently overriding the values of fairness on which they are supposed to deliver. We therefore argue that attention needs to be paid to how these tools are used by which participants to value which aspects of fairness. We argue that the tension between being overtly political and being overtly apolitical are two approaches to a similar outcome – the bifurcation of the movement where, on the one hand, smallholder participation becomes increasingly representational and, on the other, smallholder participation means the creation of a new standard with different values. We argue that indeed we cannot look at macro-indicators of participation or professionalization as a means to judge the legitimacy of fair trade. Rather, more careful analysis is needed of the ways in which values, like participation, empowerment and fairness, are defined through interaction in international, regional and local arenas. Through this type of analysis we can begin to understand the consequences of private governance on power and inequity.

## Notes

1. Unlike CLAC, which is composed exclusively of small producers, Fair Trade Africa and the NAP include many representatives of plantations. Following the exit of TransFair USA, FLO announced that producers will have a 50% participation in the General Assembly (12 of the 24 representatives). However, it is unclear how these seats will be distributed amongst the different types of producers. In any case, the General Assembly holds less power than the FLO Board.
2. This vision of tea as purely a plantation crop has also changed over the years as the top two tea exporting countries are dominated by smallholder production: Kenya (60%) and Sri Lanka (76%) (see Loconto and Simbua, 2010).
3. As of 1 July 2012 there were 15 members (12 full, 3 associate): 4C, Accreditation Services International (ASI), Alliance for Water Stewardship (associate), Bonsucro (associate), Fairtrade Labelling Organizations International (FLO), Forest Stewardship Council, Good Weave (associate), International Organic Accreditation Services (IOAS), Marine Stewardship Council, Rainforest Alliance / Sustainable Agricul-

- ture Network, the Responsible Jewelry Council, Roundtable on Sustainable Biofuels, Social Accountability Accreditation Services (SAAS), Union for Ethical BioTrade, and UTZ Certified.
4. Defined as those farmers with up to 15 hectares in production or one covered hectare, or beekeepers with up to 500 hives in production (General Standard, v. 5, 24 January 2012, edn. 1, art. 4.1.1).
  5. Its administration employs more than seventy people in the Bonn offices.
  6. BioLatina has been authorised to certify SPP compliance only since December 2011.

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## **Make It *What* Way? The Impact of Multiple Standards Regimes**

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**Abstract.** Agri-food standards are often envisaged as a regulatory tool to create uniformity in production. However, as Dunn argues, ‘standards... produce unique regulatory landscapes rather than the uniform ones standardizers envisage’. To account for this variation, scholars consider contextual factors such as market institutions, cultural norms, and the structural organization of agriculture. I argue that as standards increasingly overlap, intersect, and even contradict each other, they emerge as significant contextual features in their own right. This article analyses how producers for Russia’s burgeoning fast-food industry respond to the competing demands of multiple agri-food standards. Drawing on interviews and site visits with Russian agricultural producers and food processors, I illustrate how the presence of multiple competing standards can both undermine expected standardizing effects and empower producers to adopt and incorporate standards in novel ways. I find that in their efforts to satisfy both multinational firms and domestic consumers, producers legitimize practices that may only comply partially with the various standards they claim to meet.

### **Introduction**

As agri-food standards and the organizations behind them continue to proliferate, the implications for suppliers grow more complex. While standardized production – in all of its constituent moments from farm to fork – may be the goal, the actual homogenizing effect of standards has long been subject to debate (Hatanaka et al., 2006; Dunn, 2007; Neilson, 2007; Tallontire et al., 2009; Busch, 2010; Henson and Humphrey, 2010; Ouma, 2010; Pritchard et al., 2010). As Dunn (2003, p. 1495) argues, ‘standards become geographically variable as they are implemented in particular local contexts suggest[ing] they produce unique regulatory landscapes rather than the uniform ones standardizers envisage’. To account for this variation, Dunn (2003) encourages scholars to consider local contextual factors such as market institutions, cultural norms, political resistance and the structural organization of agriculture. Yet, as agri-food standards increasingly overlap, intersect, and even contradict each

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other, they emerge as significant contextual features in their own right. For this reason, I argue that greater attention be paid to how producers respond to the demands of multiple standards.

Agri-food standards can also be understood as technologies that codify culturally specific evaluative principles (Stark, 2010): the basis for claiming that meeting specified standards makes the product 'better'. For instance, Freidberg's (2004) analysis of green-bean supply networks suggests that cultural differences in British and French marketplaces resulted in distinct approaches to quality standards. The British firms imposed audit-oriented standards to document ethical and environmentally sound production processes, while the French importers emphasized aesthetic features of the end product. These distinctive orientations to quality standards both reflected and fostered differences in the two commodity networks. Other studies recount similarly how producers respond when firms impose standards based on 'foreign' priorities or quality concerns (Winchester et al., 2012). Yet, the question arises: what happens when numerous distinct orientations, and the standards regimes that codify them, take effect in a single market or single commodity network? To address this question, I examine the strategies of fast-food companies seeking to impose their proprietary standards in Russian agri-food supply chains and the responses of producers and processors.

The Russian fast-food industry offers a particularly instructive setting for observing how producers respond to multiple standards. Throughout most of the Soviet period, the state was the sole authority over agricultural and food systems. With perestroika and the eventual dissolution of the Soviet Union, Russian agri-food enterprises became suddenly party to the full panoply of global agri-food standards regimes. Private standards came into effect in Russia as a distinct force alongside a still powerful government authority – not in response to, or in association with, a neo-liberal hollowing out of the state. Russian producers and processors who participate in fast-food supply chains therefore provide a useful vantage point for understanding the opportunities and challenges presented by competing standards and the market channels they define. By attending to the strategies and interpretations suppliers employ in the face of multiple standards, this article calls attention to interactive effects that are frequently overlooked; responses to any given standard are often, and in substantial ways, contingent on the other standards in play.

Like Stark (2010, p. 13), who 'see[s] the mix of evaluative principles as creating uncertainty and therefore as opening opportunities for action', I observe how the imposition of multiple standards regimes highlights (at least for producers) the ambiguities inherent in each one. Drawing on interviews with representatives Russian from fast-food corporations and their suppliers, I show how producers respond to the co-presence of multiple standards as they work to implement any individual standard. As others have documented, producers are not merely passive recipients of state or corporate demands; many producers act strategically, pursuing those standards (or elements therein) that help them access desired markets (Monteiro and Caswel, 2009; Bain, 2010). This suggests that as supply chain actors confront multiple competing standards, their strategies can both undermine expected standardizing effects and empower producers to adopt and incorporate standards in novel ways.

### **Agri-food Standards in – and as – Context**

Numerous studies attest to the significance of agri-food quality standards in terms of chain governance (Gereffi et al., 2005; Ponte and Gibbon, 2005; Busch, 2011) and

production practices (Jaffee and Masakure, 2005). Agri-food standards are increasingly important in the organization of (particularly export-oriented) markets, shaping opportunities and constraints for supplier access (Burch and Lawrence, 2005; Bain, 2010; Lee et al., 2012; Tennent and Lockie, 2012). Regardless of which entity sets the standards, or for what purpose, they achieve far more than governing production practices in the interest of product quality and safety; standards work to articulate the various market channels available to producers.

Public standards, in the form of government regulations and statutes, can privilege certain producers by requiring technologies and practices that only some have the capacity to adopt (Sterns and Reardon, 2002). Government regulations, ostensibly intended to improve product quality or ensure food safety, often give preference to large-scale, well-capitalized producers. As corporations assume an increasingly central role in establishing standards, research confirms that private standards similarly privilege certain producers over others, often to the same effect (Ghezan et al., 2002; Henson and Reardon, 2005; Henson et al., 2005; Gereffi and Lee, 2009). While some private standards initiated by non-governmental organizations have the explicit aim of improving market access for small producers by documenting and advertising their adherence to socially desirable practices (e.g. fair trade and other ethical labeling schemes; Giovannucci and Ponte, 2005; Jaffee and Howard, 2010), many do not (Stanford, 2002).

The rapid proliferation of agri-food standards (and the entities that develop, establish, and enforce them), blurs many of the typologies once used to characterize this trend. For instance, while public and private standards may be portrayed as independent from one another, they often interact in complex ways. They may be complementary or mutually reinforcing; private standards may fill in gaps left by government regulations or facilitate compliance (Smith, 2009). Private actors, such as corporations or trade lobbies, often influence public standards (Bingen and Siyengo, 2002; Mutersbaugh, 2005), and national public standards from one country can shape public or private standards elsewhere (Stanford, 2002; Lee, 2009; Schewe, 2011). Additionally, the division of labour associated with defining, implementing, and enforcing standards may be split or shared across public and private entities resulting in hybrid regimes; mandatory public standards are often implemented and monitored by private third-party agents (Schewe, 2011). Though many continue to describe private standards as voluntary – as opposed to mandatory government regulations – Henson and Humphrey (2010) make clear even this distinction is faulty; in many cases, the market dominance of corporate buyers makes private standards *de facto* mandatory and thereby on a par with public standards in terms of determining market access. Finally, despite neo-liberal efforts to toward deregulate and privatize, many agri-food value chains are governed by both private standards and public regulations (Henson and Humphrey, 2010).

Recognizing this overlap, governments, corporations, and NGOs work together in a variety of ways to facilitate adherence to multiple standards regimes. Rather than work at cross purposes, some corporations are collaborating (as European food retailers did in establishing EurepGAP, now GlobalGAP)<sup>1</sup> to harmonize otherwise distinct sets of standards into one overarching set of benchmarks (Campbell, 2005; Konefal et al., 2005). Governments also cooperate in establishing international standards, most notably those codified in the FAO Codex Alimentarius. Such alliances continue to reconfigure the global regulatory landscape and the balance of power between standard-setting agents. As multilateral institutions work to harmonize

standards, such as those associated with organic certification, they may supersede both independent NGO-based standards and local or national standards to establish a new, global, 'lowest common denominator' (Mutersbaugh, 2005).

Localities, producers, and even national governments may, however, actively resist efforts to harmonize standards in the name of protecting claims to their unique, or superior, product qualities. Quality and niche production associated with the post-industrial global economy fosters the use of proprietary standards to capture added value through product differentiation (Reardon and Farina, 2001; McCluskey and Winfree, 2009; Busch, 2010; Konefal and Busch, 2010). Increasingly, firms use labels and brands to indicate commitment to a wide range of product quality, safety, social, and environmental concerns (Giovannucci and Ponte, 2005; Bacon, 2010; Freiberg, 2010). These standards regimes often incorporate both product and process standards, even though they often reflect not only different methods of enforcement but also fundamentally opposed logics. Product standards refer to what a product *is* (e.g. its size, shape, color, sugar content, moisture, etc.) and can also establish acceptable residue levels for pesticides or antibiotic treatments.<sup>2</sup> Process standards refer to *how* a product is produced, covering such aspects as pest management techniques, labour conditions, and slaughtering methods.

While some process standards are necessary for meeting product standards (e.g. room temperature prevents the growth of food-borne pathogens), many govern practices that have no observable impact on the end product,<sup>3</sup> so certifications increasingly communicate elements of quality that a product cannot (e.g. that the item was produced ethically). Mutersbaugh (2005) calls attention to the additional burdens imposed by certification standards that concern neither the production process, nor its end product, but rather the techniques employed to assure the integrity of inspections and documentation. Thus, process oriented certifications like Hazardous Analysis and Critical Control Points (HACCP),<sup>4</sup> fair trade, or organic, necessitate an additional layer of standards in order to pass a verification audit (Mutersbaugh, 2002; Hatanaka and Busch, 2008; Jaffee and Howard, 2010). Many producers face onerous requirements as they become subject to multiple audit regimes, each covering not only specific production practices, but also management, record keeping, and labour relations. Meeting a number of nearly identical standards 'can imply higher transaction costs and inefficiencies for food supplying firms' (Smith, 2009, p. 34), constraining the ability of small producers to comply.

The audit orientation of these verification systems makes them especially conducive for fostering local variation on the ground by privileging record keeping over first-hand inspections or end-product testing. Third-party audits, reliant on self-monitoring and self-auditing procedures, often review records of action, rather than action itself. As Ponte (2007, p. 190) describes, 'this consists of a paperwork-and-visit ritual, where documentation systems and traceability provide the legal basis of safety management and an insurance against legal claims in case of non-conformity'. These technologies both rely on and inculcate an 'audit culture', an implicit acceptance of the validity of audit as a means for providing transparency and accountability in one's activities (Strathern, 2000). Or, as Power (1997) emphasizes, 'rituals of verification' increasingly stand in for relationships of social trust by providing standardized documentation, especially in contexts that suffer from information asymmetry. Despite their 'panoptical' aims, however, audits are said to provide 'comfort rather than proof' (Power, 1997, p. 36) generating their own opportunities for performance, omission, and even fraud. In other words, audit-based standards

regimes rely on the devolution of the implementation, monitoring, and enforcement of standards, creating a multitude of opportunities for disparate practices.

Alongside concern about corporate hegemony over supply chains and the disciplining power of standards (Busch, 2000), many accounts highlight the agency of suppliers. For instance, Bain (2010) calls attention to how Chilean producers improve their access to global markets by taking an active role as 'standard makers' within GlobalGAP's decision-making processes. Other examples describe how, despite (or thanks to) selective compliance with standards, producers maintain access to desired supply chains. For example, Dunn (2003) describes the 'informal' practices of pork producers to access unregulated or less-regulated markets. In his account of the variable application of GlobalGAP in Kenyan horticulture, Ouma (2010) describes how non-certified fresh fruit and vegetable (FFV) growers retain access to markets thanks to 'backstage arrangements'. He attributes 'the recent growth of the industry despite the often-attested exclusion of smallholder farmers from the market' to their ability 'to keep multiple evaluative principles in play' (Ouma, 2010, pp. 219–220). Freidberg (2004) also finds greater flexibility in the application of standards among green-bean producers in Burkina Faso where there are more alternative market channels (and associated standards) for producers. Thus, the presence of alternative markets, and the standards that govern them, allows producers to strategically select and implement standards to balance the burden of compliance with the highest differential rewards. Between private corporate standards, public regulations, and the full range of quality certifications governing various market channels, Mutersbaugh (2005, p. 2034) aptly suggests that producers are increasingly 'consumers of certifications'.

Despite the implicit recognition that multiple standards regimes are at play in most market contexts, very few studies consider explicitly how this fact affects producers. Of those that do, Jaffee and Masakure (2005)<sup>5</sup> describe nicely how the interaction of contextual features results in diverse standards that permit opportunities for strategic responses by vegetable producers in Kenya. In another such account, Gorton et al. (2011) find that Serbian FFV producers who contract with foreign corporations did not, as some might expect, reject public standards. Instead, they were *more* likely than other growers to comply with state regulations, arguably as a means to build legitimacy in the eyes of corporate buyers. Ultimately, the authors find that the co-presence of multiple standards gives rise to the 'co-existence of two supply chains with markedly different regulatory systems' (Gorton et al., 2011, p. 151). This, they argue, emerges from the patterned responses of producers to disparate standards regimes. While this example illustrates how multiple standards can reinforce one another, it is also possible for their interaction to yield the opposite effect (i.e. adoption of one standard forces abandoning another, or achieving neither).

It is interesting to note that among the limited studies that explicitly consider the co-presence of distinct standards regimes, many are based in post-socialist transition economies. Perhaps, as some suggest (Dunn, 2004; Gorton et al., 2011), the uneven and transitional qualities of post-socialist contexts help to illustrate the variable impact of ostensibly uniform standards. Indeed, Swinnen and Vandeplass (2007) call attention to the role that demand for improved quality standards – and the difficulty producers have in meeting them – contributes to the emergence of 'hybrid organizations' that rely on a mix of contracts and vertical coordination. Rau and Van Tongeren (2010, p. 483), describe how 'special provisions' enabled small-scale Polish meat producers to retain access to domestic markets despite their difficulties in complying with EU standards. In her analysis of the same industry, Dunn (2003, p.

1503) argues that 'in food and other products regulated by standards, gray markets may be arising as a direct result of standardization'. While particularities of the post-socialist context in general, and the Russian context in particular (as detailed below), may highlight the multivalence of agri-food standards, their experience as such is unlikely to be unique to these locales.

### **Agri-food Supply Chains in the Post-Socialist Russian Context**

While mature capitalist economies or developing countries serve as the typical backdrop for studying agri-food standards, the complex regulatory landscapes of post-socialist countries call attention to the potential for variation in market-economy institutions. Transition economies are commonly described as fraught with corruption, characterized by a high degree of legal uncertainty, and rooted in a distinctive set of business norms (Johanson, 2000; Gow and Swinnen, 2001; Kornai et al., 2004; Radaev, 2004; Hendley, 2010). Given the well-founded call to attend to the ways in which local contexts mediate the introduction and dissemination of agri-food standards (Bair, 2005), some features of the post-socialist Russian case warrant description here: the role of formal contracts, guardedness with respect to information sharing, and rampant corruption.

The importance of personal relationships and trust in Russian business transactions is well documented (Ledeneva, 1998, 2006). Indeed, Russia is commonly perceived as lacking cultural norms to underpin effective contract enforcement (Hendley, 2010). Foreign corporations acting on these perceptions are more likely to adopt strategies to build trust with suppliers or use market-based incentives (such as bonus payments) to encourage compliance than to pursue legal action for breach of contracts (Swinnen and Vandeplass, 2007). Thus, in the Russian context, corporations may grant suppliers more flexibility than is generally observed in settings where the rule of law with respect to contract enforcement is perceived to be stronger.

The increased reliance on audit-based self-governance schemes runs up against a hostility toward knowledge sharing that persists, for many, from Soviet times (Husted and Michailova, 2002). Michailova and Husted (2003) argue that information was closely guarded in the Soviet system not only as a means of coping with uncertainty, but also as a show of respect for the hierarchical structure of organizations that associated knowledge with power and rank. Others suggest that secrecy provided a hedge against state power over economic transactions. This cultural legacy introduces additional challenges for implementing standards that explicitly aim to increase transparency, provide traceability, and improve monitoring systems through paper audits.

The weak rule of law – and widespread corruption – also contributes to a recent Russian policy shift governing national food safety and quality certifications. Until February 2010, producers needed to maintain state sanctioned, or GOST-R,<sup>6</sup> certifications, which were granted on the basis of product testing in government labs. Pervasive fraud in sample selection, testing procedures, and certification led the government to rescind officially its formal testing requirement and replace it with an operator-based requirement to 'document' adherence to government standards (Prime Time Russia, 2010). This change marks a dramatic, yet partial, step toward a more neo-liberal approach that relies on self-auditing and caveat emptor; while the means of enforcement have been swept away, the content of the old rules has not

changed. Given that the observations and interviews recounted below predate this shift, it is fair to assume that the practices prompting it were not uncommon.

### Methods and Data

My research methods are informed by the global value chain approach;<sup>7</sup> while my unit of analysis is the chain (or network) as a whole, my investigation focused on the relationships between firms within these chains (Gereffi, 1994; Dicken et al., 2001). To identify participants in the value chains of interest, I took fast-food corporations as my 'point of entry' (Kaplinsky and Morris, 2001). I began by identifying lead firms, including both foreign fast-food companies and their primary Russian competitors. Based on information they provided about their supply networks, I identified their processors, producers, and input suppliers. This strategy enabled me to map out supply networks, identify shared suppliers, and learn of those firms that, while not currently part of these networks, either had been previously or were developing capacity to become so. The resulting sample of 16 fast-food companies and 28 supply firms (processors, producers, and input suppliers) provided a mix of firm size, product, location, and nationality (Table 1).

The analysis presented here draws primarily on interviews with processors and producers, in order to shed light on supplier responses to multiple standards regimes.<sup>8</sup> Many of these interviews incorporated a facility or farm tour. I conducted interviews with 19 producers, most of whom represented three different supply chains: lettuce, potatoes, and poultry. Interviews with corporate representatives from fast-food supply chain and quality assurance departments provide the buyers' perspective and inform the discussion below regarding corporate complicity in the partial adoption of standards. Many of these representatives spoke under the condition of anonymity; therefore even though I refer to McDonald's by name, I avoid identifying smaller firms as that would potentially disclose the respondent. These interviews constitute a subset of those conducted during fieldwork between October, 2006 and August, 2007 (Table 2).

Given the competitive nature of the industry, not all firms were eager to meet with me, and even those individuals who agreed to interviews did, at times, refuse to provide what might seem like fairly innocuous information (e.g. the number of restaurant outlets). Cross-cultural research involving private industry and trade information can be difficult, and I cannot be sure if (or when) respondents might have been intentionally deceptive, though a few were overtly uncooperative. The use of multiple sources, however, helped to ferret out the most egregious claims, and the consistency of answers across respondents gives me confidence that these views are widely held. Interviews with government officials (both US and Russian), representatives from NGOs and business associations, and researchers from both academic institutes and private consulting firms further served to corroborate information. I also relied on industry publications, corporate websites, and the news media to cross-check details provided by respondents. Finally, field days, trade exhibitions and industry conferences offered additional sources of verification and confirmation that my sample, while limited and non-random, expressed views similar to others in the sector. Nonetheless, it is not always possible to know if the attitudes and accounts shared accurately reflect practices and experiences.

**Table 1.** Sample of firms and respondents.

Type of Firm	National origin	Location (HQ)	Product
<i>Fast Food Chain</i>			
Carl's Jr (CKE Restaurants)	American	St. Petersburg	Burgers
Sbarro	American (also 2 franchisees)	Moscow	Pizza
Subway	American (also 2 franchisees)	St. Petersburg	Sandwiches
Pizza-Nord, LTD (Pizza Hut)	American - Russian Franchisee	St. Petersburg	Pizza
McDonald's	Canadian	Moscow	Burgers
Grillmaster	German - Russian Franchisee	Moscow	Burgers
Rostiks/KFC	Joint Venture	Moscow	Fried Chicken
Chainaya Lozhka	Russian	St. Petersburg	Blini
Grabli	Russian	Moscow	Russian fare
Kroshka Kartoshka	Russian	Moscow	Potatoes
McPik	Russian	Novosibirsk	Burgers
Podorozhnik	Russian	Novosibirsk	Sandwiches
Russkoe Bistro	Russian	Moscow	Pirozhki (Russian fare)
Teremok	Russian	Moscow	Blini
New York Pizza	Russian - American expat owner	Novosibirsk	Pizza
Stardogs	Russian (Danish origin)	Moscow	Hot dogs
<i>Processor</i>			
McCain	Canadian	Moscow/Lipetsk	Potatoes
Frito Lay	American	Kashira	Potatoes
Farm Frites	American	Moscow	Potatoes
Potato pogarskaya	Russian	Bryansk	Potatoes
Talosto	Russian	St. Petersburg	Meat
Michailovsky	Russian	Penza	Meat
Toushinskaya	Russian	Moscow Oblast	Meat
Belaya Dacha	Russian	Moscow Oblast	Vegetables
Green Terra	Russian	Moscow Oblast	Vegetables
Unibake	German	Moscow	Baked Goods
Ehrmann	German	Moscow Oblast	Dairy
<i>Producer/Processor</i>			
Belaya Ptitsa	Russian	Belgorod	Poultry
Chelni Broiler	Russian	Tatarstan	Poultry
Elinar	Joint venture (US/Russia)	Moscow Oblast	Poultry
Petelinka	Russian	Moscow Oblast	Poultry
Praxis, Roskar	Russian	Leningrad Oblast	Poultry
Prioskole	Russian	Belgorod	Poultry
Produktie Pitanye	Russian	Moscow	Poultry
Rostiks/KFC's Chicken Factory	Joint venture (US/Russia)	Moscow	Poultry
Russkoe Visotskaya	Russian	Leningrad Oblast	Poultry
Name withheld	Russian	Moscow Oblast	Poultry

**Table 1. cont.**

Type of Firm	National Origin	Location (HQ)	Product
<i>Producer</i>			
Independent grower	Russian	Lipetsk	Potatoes
Zeros	Russian	Lipetsk	Potatoes
Dmitrovski Ovoshi	Russian	Moscow Oblast	Vegetables
Moscovski Agrokombinat	Russian	Moscow Oblast	Vegetables
Russian Farms	Russian	Moscow Oblast	Vegetables
<i>Input Supplier</i>			
Doka Gene	Russian (with UN assistance)	Moscow Oblast	Potatoes
Reyk Zvaan	Netherlands	Moscow	Vegetables

**Table 2. Respondents by position and firm type.**

Type of firm	Position / Title	# of Respondents
<i>Restaurant</i>		
	General Management	8
	Marketing	8
	Franchise Director / Franchisee	7
	Supply Chain	12
	Quality Assurance	6
<i>Processor</i>		
	Manager / Executive	12
	Technical Assistance	2
<i>Agricultural Producer</i>		
	Owner-operator	16
	Manager	3
<i>Input Supplier</i>		
		2
<i>Distributor</i>		
		2
<i>Other</i>		
	Government agency	8
	NGO	5
	Consulting firm / Researcher	4
<b>Total</b>		<b>95</b>

**Table 3. Leading fast-food (QSR) chains in Russia.**

Brand Name	Opened	Market Value Share – Fast Food				# of Outlets	
		2006	2007	2008	2009	2007	2010
McDonald's	1990	41.4	42.6	40.8	43.0	189	270
Sbarro	1997	4.3	5.1	4.8	4.1	110	158
Rostik's KFC	1993/2005	2.3	6.0	5.7	5.7	135	155
Chaynaya Lozhka	2001	1.4	1.5	1.4	1.4	54	69
Kroshka-Kartoshka	1991	1.2	1.4	1.5	1.7	205	326
Baskin Robbins	1992	1.1	0.9	0.9	0.8	125	145
Teremok	1998	1.0	1.3	1.5	1.6	127	181
Subway	1994	0.4	0.6	0.7	1.0	39	127

Source: USDA, 2011a, pp. 12–13.

## The Russian Fast-food Sector

McDonald's opened its first restaurant in (Soviet) Russia even prior to the introduction of a market economy. The Pushkin square location opened to historic fanfare on 31 January 1990 and remains the busiest of its more than 33 000 outlets worldwide.<sup>9</sup> From the start, McDonald's presence extended far beyond its restaurant doors; in 1989, McDonald's Canada invested \$45 million US to construct McComplex in Solntsevo, a suburb of Moscow. The processing lines at this 100 000 square foot facility provided most of the component parts – buns, cheese, burger patties, and more – for McDonald's restaurants not only in Russia, but also in 18 other European countries. The demand for inputs also promoted follow-sourcing (Reardon et al., 2007): attracting multinational agri-food processing firms, especially those with longstanding ties to the industry (e.g. Heinz, McCain). Over time, McDonald's outsourced these lines to processing firms that have built or taken over factories in Russia.<sup>10</sup> McDonald's was the first Western firm to require HACCP compliance for its Russian suppliers.

McDonald's is just one, albeit large, player in Russia's rapidly expanding fast-food sector (see Table 3). In fact, fast food is the fastest growing segment in Russia's food-service industry (Wenberg, 2007). The industry experienced rapid growth between 2006 and 2008, as the food-service market share of 'organized food chains' rose from 15.6% in 2007 to 21.2% in 2008 (Euromonitor International, 2009). In the years since this fieldwork was completed the industry has grown substantially, franchising is increasingly common (which brings new challenges for standards enforcement), and the Russian regulatory presence has been reduced. Thus, follow-up research is needed to observe whether variation in responses to multiple standards persists and if these practices enable suppliers to retain negotiating power and market access in the context of an increasingly globalized and corporate controlled marketplace.

The fast-food industry provides an especially useful case for examining producer responses to multiple standards regimes.<sup>11</sup> As companies expand beyond the thriving urban centres of Moscow and St. Petersburg, they also increase reliance on domestic supply to compensate for poor transportation infrastructure. McDonald's leads the way in domestically sourced inputs, claiming over 80% of its inputs are produced in Russia. To ensure product consistency, most firms have extremely detailed and rigorous quality standards that exceed concerns for basic food safety. Yet fast-food companies loathe exclusive arrangements with their suppliers – in either direction – as Russia's supply chain is notoriously uncertain (author interviews). The standardized-menu business model requires that firms guard against supply shortages; KFC/Rostik's cannot run out of chicken, just as McDonald's cannot run out of ground beef.<sup>12</sup> Thus, unless their business partner is another foreign MNC, they always establish multiple suppliers. At the same time, domestic suppliers are encouraged to maintain other clients to minimize supplier dependence and ensure that rejecting their products will not threaten their long-term survival. For many suppliers, participation in this industry, therefore, requires compliance with multiple proprietary standards regimes in addition to mandatory state regulations.

## Multiple Standards at Work

### *Producer Evaluations of Competing Standards*

Producer responses to competing standards illustrate the complex relationship between cultural preferences, practical considerations, and market pressures. They

also reflect how divergent evaluative principles undermine claims that any particular standards are better able to ensure products of ‘higher’ quality. For example, many producers claimed that Russian national standards – especially for food-borne pathogens, pesticide residue, and GMOs – exceeded those of the US and Europe. Others noted that corporate fast-food buyers had stricter sanitary norms, more regular and detailed audits, and exacting cosmetic standards associated. Many respondents were ambivalent, both lauding the strictness of GOST standards and describing McDonald’s standards as superior – the gold standard of the industry.<sup>13</sup>

GOST standards specify very low allowable limits for many contaminants and zero tolerance for certain bacteria like salmonella (author interviews). As one lettuce grower noted, ‘the Russian rules for lettuce at least are stricter than they are in Europe in terms of the amount of time they consider something to be fresh [shorter shelf life] and their quality standards’. A representative from a large fresh produce supply firm (a former pickle supplier to McDonald’s) claimed that more pesticides are permissible in Europe and US than in Russia. Even so, many considered these requirements impractical and viewed Russia’s enforcement mechanisms as deeply flawed.

Respondents also spoke frankly about managing the incompatibility of Russia’s strict standards and the demands of modern production practices. For example, rather than comply with pesticide regulations, growers timed applications to avoid detectable residue levels upon testing. As one producer revealed, ‘it’s true because they test the lettuce and they find pesticides and they won’t take them. And they do test the lettuce. But there’s no way to raise lettuce without using any’. This strategy is pursued despite costly penalties for failure to comply: the state may require lettuce growers to leave an entire field fallow for three months if any pesticide residues are detected in product samples. Producers’ ambivalence in evaluating these standards reflects the reality that the cost of compliance often equals the cost of (discovered) non-compliance: nothing to sell.

The authority of Russia’s stringent product standards can be undermined when coupled with the means to verify compliance. Verification protocols shape how producers perceive the rigor of Russian product standards given the relationship between testing methods and the likelihood of detecting pathogens. A quality assurance manager in a poultry facility described the salmonella testing process of Russian government-approved labs:

‘you do a deep muscle [test] but knowing anything about the interior of a muscle, it’s basically sterile... So of course you sanitize the outer surface, which is where you would have salmonella. You sterilize your knife. You make your cut. You collect your insides. And it’s all done in a basically an aseptic technique. It should be negative.’

Even though this manager was familiar with other, more effective, methods for salmonella testing (US standard procedures),<sup>14</sup> and would have preferred implementing them to monitor the bacterial load in his facility, the zero-tolerance standard made it too risky. Situations like this reveal how consequential verification systems can be for gauging the effective weight of underlying standards.

The aesthetic orientation of many product-oriented corporate standards that concern physical product specifications (often purely cosmetic in nature) are not always seen as yielding superior products (especially when meeting them requires flouting process standards imposed by the same private firm). Indeed, respondents were

quick to note that strict fast-food standards might promote 'quality' products, but not necessarily 'healthy' ones. As a poultry processing firm manager said, 'fast food is worse than chicken legs, there's nothing healthy in it'. Similarly, a representative from a beef supplier first detailed the rigorous nature of McDonald's quality control systems and then went on to say, 'they attend very seriously to quality... But for my own weight concerns I pass it up... I don't go there, and I won't. But it's tasty, very tasty'.<sup>15</sup> That is, while respondents described corporate standards as rigorous, strict, and demanding, they often viewed the results they produced as subpar. Additionally, product specifications often run counter to cultural (domestic market) preferences, traditional markers of healthfulness and taste, and basic rules of economics. For instance, fast-food companies prefer large, mealy potato varieties, unpopular among Russian consumers. In the case of poultry, fast-food firms tend to specify smaller birds than are normally deemed economically efficient.

With respect to food safety standards, however, many respondents perceived the complex audit-oriented systems of process standards as less strict than product standards. End-of-the-line product testing (i.e. GOST) provided greater certainty of a product's safety than they felt process standards such as HACCP could provide. Many quality assurance managers, uninterested in HACCP, replied curtly to any suggestion that GOST's product-based standards might be inadequate. They also implied that HACCP was ineffective and easily falsified (though few would claim otherwise for GOST's testing programme). The reliance on paperwork audits in lieu of product testing or regular site inspections was viewed as so naïve it was laughable. The fact that Russian guidelines for HACCP are far simpler than those used in the US<sup>16</sup> further bolstered this perspective. Thus, despite their comprehensiveness, the perception that they are largely unenforceable, often impossible to meet, and generally irrelevant contributed to pervasive dismissal of process standards as *effectively* strict.

Despite these debates, there remained general consensus that McDonald's was the gold standard for agri-food quality, with respect to both product testing and process requirements. For example, a poultry and egg processor described how, 'the laboratory does [a test] there for any of these bacteria or something. According to HACCP there should be 100 bacteria [per square centimeter], here in particular for the state there [could be] 10 for example, and for McDonald's it should be one'. Most producers echoed this assessment that McDonald's standards for both product and process were more rigorous, and at least to some degree, more likely to be enforced. With respect to process-based standards, a lettuce producer noted that:

'McDonald's of course has their own survey for producers from which they develop a rating system. They ask all kinds of questions including things about hand-washing practices and where they get their water that is used for cleaning. They also come and look to be sure the answers were honest because it's easy enough to answer one thing but to have something else be true.'

Thus, the shared sentiment that McDonald's commitment to quality was exemplary reflected assessments of both the content of their standards, and their involvement in ensuring they were enforced. Even so, suppliers made few claims to being in complete compliance.

Producers are constantly comparing and evaluating the various standards regimes with which they might comply. The presence of – and simultaneous engage-

ment with – *multiple* standards regimes promotes these comparisons, highlights the ambiguities that exist within any single regime and fosters skepticism of them all. But producers are not simply victims, struggling under layers of public and private regulation (Ouma, 2010). Indeed, ambiguities and uncertainties can be empowering, as they elicit independent judgments of the relative stringency, effectiveness, and force of competing regimes. Determinations about which standards to adopt and the degree to which they were fully implemented were shaped by the comparisons made across different standards regimes.

#### *'Shopping' for Standards: Strategic Adoption*

As suppliers choose which standards to pursue, they are not simply identifying the strictest, or alternatively, the easiest, standard. As found elsewhere (Jaffee and Masakure, 2005; Bain, 2010), producers reported choosing standards based on the belief doing so improves their market access. For this reason, many producers and processors choose internationally sanctioned process standards (e.g. ISO, HACCP) and pursue third-party certification regardless of what their current buyers demand.

Rather than expressing a sense that they are reacting to private (corporate) or public (government) demands, many respondents described their choice of standards and protocols as proactive. Producers viewed meeting Western standards regimes as an effective way to signal their modern Western sensibilities and demonstrate their departure from the 'old Soviet system' or the 'Russian mentality'. For example, a producer in the early stages of HACCP certification reported, 'it is a very long and difficult process to achieve global standards. We have only taken steps in that direction... to depart from [the] old Soviet level to more worldly standards'.

A supplier's aspirations in the global marketplace were key to determining how to approach to standards regimes. For example, a beef processing company representative said, 'from the beginning, our president had a goal to meet European standards. He looked at firms worldwide. He understood from the beginning that the future of business would be at the high level of quality'. Like early adopters of any technology, some well-capitalized firms considered adoption of global standards critical for business development despite the high investment costs. Others expressed optimism about Russia's future standing with respect to international trade organizations, and feared being left behind. These producers consider the choice of standards regimes in the context of their long-term plans to participate in the world market. In light of this view, producers who aim for global competitiveness may work to meet McDonald's standards as a symbol that they have met or exceeded all other standards to which they may be subject.

The reputational gains associated with ties to key foreign MNCs were, for some, even more highly valued than official certifications. One poultry and egg processor described his decision to pursue HACCP as follows: 'we understood that for Western companies... it's necessary for production to be high quality; that is, with the quality guaranty of the HACCP system... For them our internal Russian system is not enough. Therefore we saw that it was extremely necessary for us, and they also helped us.'

Perhaps surprisingly, he described the changes required by HACCP as relatively minor, requiring the addition of hand-washing stations, UV lamps, and other small details. He even described the HACCP audit as far less onerous than the one performed by McDonald's and therefore chose to internalize McDonald's standards

into their own independent audits. The fact that his firm sold a mere 5% of its production to McDonald's underscores how the adoption of these standards did not result directly from this supply relationship. Rather, the prestige associated with supplying major Western firms makes the changes worth the effort. In fact, many suppliers felt that becoming an established supplier of McDonald's was just as effective a signal (if not more) to other potential buyers as formal third-party certifications. That said, McDonald's promotes (and in other contexts, requires) HACCP certification of their suppliers.

Importantly, few producers select a single standards regime to pursue; most worked to implement multiple different regimes at the same time. Strategies varied widely, depending, in part, on the mix of standards and a supplier's available resources. Some produce for one firm one day and another on the next in order to abide by the associated standards for each. Others operate distinct production lines for different buyers, and still others work to integrate multiple standards regimes into their own internal quality assurance and audit systems. The few slaughterhouses that supply McDonald's with beef and pork reported using an entirely separate set of procedures and equipment when producing for them (e.g. a stunning device used for pork, or separate knives for each cut). These modifications require not only physical and mechanical changes to facilities, but also intensive training and management oversight.

Finally, some respondents attributed their interest in adopting new standards to perceived changes in consumer tastes rather than government or corporate pressure. For example, one supplier asserted, 'people are looking at leaf quality not just price when they are picking things up at the store in deciding whether or not to buy them'. Rationales like this are often behind producer decisions to label their products 'ecologically clean' even though this label does not reflect any formal standards and carries no legal weight. The growing importance of brand reputation further drives the development of proprietary standards and associated quality claims. However, as the next section describes, the enthusiasm with which firms claim adherence to new quality standards is not always matched by efforts to implement them.

### *'Performing' Standards: Selective Adherence and Partial Implementation*

Both interviews and observations confirmed that the decision to adopt a particular standard does not imply that all associated requirements are fully implemented. In fact, when choosing which standards to adopt, producers not only factor in the costs associated with implementation, but the degree to which partial compliance is sufficient to access desired market channels. The ambiguities in evaluating their relative stringency, the questionable legitimacy of private standards in the Russian context, and the absence of effective enforcement all contribute to piecemeal and partial adoption of multiple standards under the guise of full adherence.

Even if transgressions against GOST standards are not so severe as to constitute fraud, many producers admit (and many buyers acknowledge) that standards are not always met. The unsettled ambiguities about the relative stringency of standards, and the competing emphases on product versus process requirements can contribute to partial compliance. A poultry processing facility representative provided this example, 'the Russian standard for room temperature where meat's being processed [is] 10 degrees or less. We're nowhere close. So, even some of the Russian standards we're not meeting'. He went on to justify this by reference to the fact that,

at the end of the line, the temperature of the processed poultry consistently met product standards.

Given that suppliers who work with one MNC often work with many, they also experience multiple audits throughout the year as each company inspects the facilities and/or their records. Most inspections come with advance notice, and only some include a walk-through of the facility. Increasingly, as corporations turn to audit-based process standards like HACCP, they conduct 'paper audits', inspections of records rather than actual practices. For some, this emphasis led to paperwork becoming an end in itself, while failing to serve the purpose of alerting managers to potentially hazardous conditions so that corrective actions can be taken. This kind of behaviour might be expected (recall that Michailova and Husted (2003) suggest that Russia's corporate culture does not foster open lines of communication, especially up the hierarchical chain of management). Managers at processing plants also noted that upon reviewing records, they would be alarmed at levels recorded (in temperature, for example) that should have, but did not, prompt corrective action on the processing line. In fact, because staff did not analyse logs or consider the duly recorded measurement with reference to trend lines, they often overlooked the fact that measurements exceeded specified norms.

Though corporate and third-party audits are common ways of ensuring adherence to process standards, it remains impossible to verify compliance in day-to-day operations. For example, while visiting a poultry processing facility, I witnessed delivery trucks studiously avoid the disinfectant pools put in place across the driveway leading to the loading dock. Rather than slow down to drive through the dip in the road, most drivers maintained their speed and skirted the obstacle. One manager said I was asking the wrong questions when inquiring about HACCP certification, telling me I needed to ask if, and to what extent, anyone actually followed the plan.

'Implemented means are you documenting – to me – I don't feel I've lied to you yet and if you say, "is it implemented?" Yeah. I can pull it out right here and show you where our CCPs are at, I can show you what my corrective actions are. [But] I'm not following what my plan says. So, if you're a good auditor you're going to keep asking those right questions and get me to the point where I have to answer no.'

Others noted the difficulty in transplanting 'foreign' models to Russian lines. 'They had a HACCP plan here. It was taken right from a textbook. It sounded great. But you take it to the line; we weren't anywhere near meeting our CCPs. We were incapable.' Non-compliance can happen on an individual day-to-day level or at the level of supervisory decision-making. For instance, a new requirement to track and analyse trends in bait boxes met with this response, 'I'll take the hit. I mean, I'm not going to spend the time or money to track 1,000 bait boxes... I guarantee: Fall, we see an increase. Spring, we see an increase'. At both levels, line workers and supervisors express a 'right' to make 'reasonable' decisions with respect to the desired results. In the process, they retain a degree of autonomy through partial compliance and, to some degree, do so with the approval (often implicit) of their corporate buyers.

#### *Corporate Complicity: The Journey to a Standard Destination*

Far from being a covert practice, it is widely acknowledged by corporate buyers, producers, and third-party auditors alike that standards regimes are only partially or

performatively adopted. Both the legal institutional context and the limited population of sufficiently 'modernized' suppliers contribute to the characterization of partial compliance not as corruption or fraud, but rather as steps on the way toward full implementation. In fact, most suppliers who have the requisite technology and skills gained them over the course of long relationships with other firms in the supply chain; the trust engendered over time may, in the long run, prove to be more valuable to corporate buyers than immediate and total standards compliance (Ledeneva, 2006). Even the most demanding buyers readily admit that standards adoption is a process, or as one corporate representative put it, 'a journey'. To accommodate this, fast-food firms rely on their MNC intermediaries to provide suppliers with technical assistance to support ongoing incremental improvements. This allows corporate buyers to both acknowledge the gradual process on-the-ground and claim that the supplies they receive comply with their rigorous standards.

Firms also recognize the operative distinctions between the relative authority of corporate and government standards. Most respondents, even corporate representatives, refer to only GOST standards as truly required, even if contracts require adherence to international or corporate standards.

'If it is legislation, yes, so they must comply with the legislation, that's for sure – but, for our general standards, no, we don't say you must comply with it 100%, no. What we want each farm to show their small, small improvement every year. So, show me few things you did in this area to improve, and we say, OK, let's agree on the few points. Let's agree on the ten points, and we will be happy.'

Despite rampant corruption within the inspection and certification system, there has long been a clear line of authority in terms of the state as the sole institution vested with the power to establish and enforce standards. Thus, faced with proliferating standards regimes and standards setters, Russian producers question the legitimacy of non-governmental agents in making such demands, and many remain unconvinced that they are truly obligated to meet them. Rather than challenge this orientation, buyers express willingness to compromise.

Corporate buyers recognize that this cacophony of standards contributes to non-compliance and, in response, have sought to harmonize private standards. To this end, McDonald's has negotiated with MNC supermarket chains to harmonize food safety standards imposed in the Russian marketplace. In this way, buyers can seek to make *their* standard *the* standard, eliminating alternative market channels facilitated by other buyers. This would both reduce the uncertainty and variability that producers face and bring unified pressure, through coordinated audits, to bear on suppliers with the aim of increasing compliance.

## Discussion

The negotiation of contradictory evaluative principles by actors in Russia's fast-food supply networks highlights important points of disjuncture between the still pervasive post-Soviet context and the emerging governance mechanisms and cultural assumptions imposed by multinational agri-food corporations. Russia's market regulatory institutions, which continue to suffer from a high degree of uncertainty (Stark, 2010), contribute to the variation observed across the suppliers with whom I spoke. Foreign buyers recognize that even when formal enforcement methods work,

pursuing them would likely sour critical personal relationships and limit the available options to compel full compliance. In response to these conditions, corporations are moving toward vertical integration and standards harmonization. As such, this case illustrates the challenges confronting corporations as they introduce neo-liberal regulatory schemes into institutional and cultural contexts where enforcement mechanisms are weak. Moreover, many Russian firms question the legitimacy of corporate authority, arguing that it is the responsibility of the state to establish and enforce agri-food standards. In this way, producers justify their failure to comply with corporate demands. In effect, producers chose the state as their enforcer, even as they positioned themselves to gain access to corporate supply chains.

More generally, this case illustrates how producers struggle to appraise and respond to multiple standards regimes simultaneously, and how they attempt to resolve conflicts in the letter of a requirement by adhering to its spirit – as they interpret it. Insofar as standards codify the evaluative principles of different market channels, producers must continually assess the degree to which implementing changes to meet one set of standards might impinge on their ability to comply with another. Thus, it can fall to suppliers to determine the precise mix of practices to employ in order to appease corporate buyers, while also retaining quality characteristics that are desired by alternative (often traditional domestic) markets. The resulting shift in the balance of power allows producers to choose partial implementation and signal their ‘modernity’ without having to fully modernize their facilities and production processes. Corporate representatives reinforce this when they modify requirements in order to reduce conflicts between government regulations, corporate standards, and local norms. This finding concurs with those who suggest that the degree to which large buyers effectively control their suppliers may be overstated (e.g. Dunn, 2003; Freidberg, 2004; Jaffee and Masakure, 2005).

It is not, however, the simple presence of alternative market channels, domestic or otherwise, that creates room for agency among producers. The delineation of these market channels by disparate quality standards provides the regulatory and rhetorical space for producers to negotiate partial or hybrid implementation of ostensibly required standards. This relativizing process can empower suppliers vis-à-vis standard setters and create opportunities for supplier-driven recombination of standards, or to borrow from Stark’s (Stark and Bruzst, 1998) earlier work, bricolage. In this way, they promote variation through the emergence of novel hybrid practices. Thus, I argue that standards must be considered as contextual features in their own right; the interaction of multiple standards regimes contributes to observed variation in important ways. In order to understand supplier responses to any particular regime, it is necessary to consider how suppliers perceive its coexistence with other standards and can leverage these overlapping, and often contradictory, demands to their advantage.

## Notes

1. According the organization’s website, ‘GlobalGAP is a private sector body that sets voluntary standards for the certification of agricultural products around the globe’ <[http://www.globalgap.org/cms/front\\_content.php?idcat=2](http://www.globalgap.org/cms/front_content.php?idcat=2)>. This organization emerged from EurepGAP (where GAP=Good Agricultural Practices) in 2007 to reflect its membership’s presence beyond Europe. See Campbell (2005) for a good description of EuropGAP’s emergence and mission.

2. Some might refer to these characteristics as search and experience attributes (Ponte and Gibbon, 2005, p. 2). For a more detailed and systematic description of types of standards (not limited to the agri-food sector) see (Nadvi and Waltring, 2004).
3. These are also referred to as credence characteristics (Humphrey and Schmitz, 2002).
4. HACCP is a management system developed to ensure food safety by analysing production systems for potential hazards and identifying 'critical control points' in the production process where limits and tolerances (e.g. for heat or bacteria level) can be established and monitored such that corrective action can be taken if conditions fall outside these predetermined ranges. For a detailed description, see the resources provided by the US Food and Drug Administration <<http://www.fda.gov/Food/FoodSafety/default.htm#haccp>>.
5. For example, see the graphic they provide on p. 353.
6. GOST (technically, GOST-R), a Russian acronym for 'state standard' (*gosudarstvennyy standart*), refers to the technical standard and official certifications required for agri-food firms (as well as other industries).
7. While I use the terminology 'global value chain' here, I make no substantive distinction between this terminology and those preferred by others in the broader literature such as, 'global commodity chains' or 'global production networks'. To my mind, the referent is the same even if the theoretical emphasis of those using the various terms differs.
8. Formal interviews were supplemented by numerous informal conversations and visits with additional producers.
9. As reported in the *New York Times* (Arvedlund, 2005). Or, more recently, here: <http://www.isitpacked.com/2010/11/01/where-is-the-busiest-mcdonalds-in-the-world/>
10. Tulip (2010) reported on an interview with McDonald's Russia president, Khasbulatov, quoting 'from day one, it was our aim to outsource as much as possible locally, and thus build an independent supply chain'. The article goes on to report that 'McDonald's has approximately 130 local suppliers, and the aim is to localize the remaining 20% of supply within the next 3-5 years'.
11. While much of the research on corporate agri-food standards addresses food retail (Reardon and Farina, 2001; Henson and Reardon, 2005), Russia's food retail sector has been slow to consolidate (Euromonitor International, 2008) and relies less on domestically sourced products than the fast-food industry (Dries and Reardon, 2005).
12. I was at a McDonald's in Moscow on a summer's day when they ran out of ice cream. It was not a pretty sight.
13. This ambivalence is echoed by conflicting findings about consumer preferences for domestic products as opposed to foreign imports (Caldwell, 2002, 2004; Zavisca, 2003)
14. Whole birds are placed in a bag with a rinse solution and shaken (or rocked) for one minute. A sample of the solution is then tested for salmonella (USDA, 2011b).
15. This claim gains in significance given that it followed on the heels of his disparagement of the healthfulness of chicken legs (especially the 'Bush's legs' that swamped the Russian marketplace thanks to US food aid in the early 1990s).
16. As one respondent noted, the books alone differ on the magnitude of hundreds of pages (in the handbook I encountered the first 578 pages cover US HACCP standards, and the remaining 23 pages address the Russian standards). While the general approach of HACCP can be understood as universalized, the requirements for its implementation continue to vary nationally.

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## **Entangled Standardizing Networks: The Case of GLOBALGAP and Fairtrade in St Vincent's Banana Industry**

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**Abstract.** The governance of international agribusiness has changed dramatically over the past two decades, and an important aspect of that change has been the increasing use of certification systems that cover a wide range of product and production attributes. While certification is often represented by its advocates as a depoliticized and scientific means of governing, some argue that governing by standards is better understood as an ongoing and never-ending process summed up by the term 'standardizing work'. Expanding on this, I suggest that the twin concept of 'standardizing network' may be used to refer to actors and intermediaries engaged in standardizing work with reference to a particular standard. Empirically grounded in the banana industry of the eastern Caribbean island St Vincent – an industry having adopted both GLOBALGAP and Fairtrade certification – the article examines the role of interpretation as standardizing work. Discussing the GLOBALGAP certification process, I suggest that a chain of interpretive authority is at work, which, particularly in the wake of a standard revision, encourages a stricter than necessary operationalization of requirements. Furthermore, I argue that the space opened by the absence of authoritative interpretations may invite an entanglement of standardizing networks and that an appreciation of this sometimes entangled nature of standardizing networks is necessary if we are to attain a fuller understanding of agri-food certification processes in the sphere of production. This is demonstrated empirically through an account of the influence of the Vincentian Fairtrade national farmers' organization on the GLOBALGAP certification process.

### **Introduction**

Since the 1990s, a rapidly growing body of research has been increasingly occupied with understanding the evolving roles of private actors and market-driven approaches in agri-food governance since the 1990s. An important concern has been

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to understand the developing role of private governance initiatives such as certification systems addressing a wide range of product and production attributes.<sup>1</sup> Some writers have sought answers in the relationship between public and private regulation pointing to the importance of changing public strategies in dealing with food safety (Marsden et al., 2000), the failure to agree on intergovernmental standards for the agri-food industry (Friedmann, 2005) or, with regard to maximum residue levels and traceability requirements, a strengthening of intergovernmental regulation (Hoffman and Vossenaar, 2007; Henson and Humphrey, 2009). The passage of the UK Food Safety Act 1990 has been cited as a watershed event, which effectively placed responsibility upon food retailers, and ultimately the courts, to decide what would be reasonable checks of food safety in the supply chain (Hobbs and Kerr, 1992). A due diligence requirement has also found its way into EU food law and was a significant driver behind the multiple retailers' development of supply-chain management schemes. The shift to supply-chain management, however, is arguably more than a response to new food safety legislation, representing a new way of performing the economy, whereby businesses utilize standards as one of several means to shape the playing field (Busch, 2007). Private standards, suggest Henson and Humphrey (2010, p. 1629), 'appear to be simultaneously a substitute for inadequate public regulation, a response to increasingly stringent regulation, and a means of 'going beyond' public regulations to provide credible bases for product differentiation'.

Henson and Humphrey (2009) argue that private standards 'go beyond' public regulation in two distinct ways: on the one hand, by allowing for differentiation according to qualities not covered by public regulation and, on the other, by specifying *how* outcomes required by public regulation, mainly with regard to food safety, should be reached. For retailers the former standards are means of realizing *opportunities* inherent in an increased consumer demand for sustainability, including social equity, whereas the latter standards are oriented towards *threats* such as liability and loss of brand capital associated with failure to control risks (see also Henson and Northen, 1998). The latter kind of certification is most often not communicated to consumers, as retailers have found it beneficial to make food safety and baseline environmental and worker health and safety standards collaborative and non-competitive issues (Homer, 2009). Retailer collaboration can lower the costs of standard setting and broaden the base of potential suppliers (International Trade Centre, 2011), it can confer legitimacy upon initiatives, and it can be a way of pre-empting more comprehensive public regulation (McCluskey and Winfree, 2009). Product differentiation standards, meanwhile, have come to play an important role in retailers' competitive strategies. Labels that communicate certification ostensibly have the ability of transforming credence attributes to search attributes, allowing for a broadening of the range of qualities on which competition can centre (Caswell, 1998). Certification labels essentially ask consumers to place their trust in a standard and its accompanying enforcement structures rather than in producer or retailer claims (Homer, 2010).

A certain governance architecture, what Loconto and Busch (2010) have dubbed the 'tripartite standards regime', has evolved as the gold standard for ensuring the integrity of certification systems, involving a separation of powers between standard setters, certification bodies and accreditation bodies. The use of an accredited and purportedly independent third party to certify producers increases scheme credibility while allowing retailers to offset certification expenses to the certified party (Henson and Northen, 1998; Hatanaka et al., 2005; Busch, 2007). Moreover, the prac-

tice is typically depicted in a techno-scientific language that bolsters its status (Bain et al., 2010) and may create an impression of the tripartite standards regime as a depoliticized means of governance. This belies the considerable performative power of standard setters, certifiers, and others involved in standardizing work (Higgins and Larner, 2010). In principle, anyone can develop standards for third-party certification and a tremendous proliferation of such standards has occurred over the past two decades. National and international standards organizations, individual retailers, industry consortia, and NGOs all set standards and sometimes in an overlapping or competing manner. Riisgaard (2009, p. 8) notes how the 'diverging interests of different actors and the role that standards play in how lead-firms are governing value chains make standards highly contested arenas'. The many potential functions of standards for various actors in agricultural value chains (cost-cutting, risk-mitigating, brand-making, door-opening, awareness-raising, etc.) contribute to the flourishing of a market for standards. Several studies have examined the effects of competition in this market place, arguing that parallel initiatives may spur a 'race towards the lowest standards' (Riisgaard, 2009, p. 9) or seeing rivalry as inherently positive in encouraging innovation and an 'ends-over-means' approach (Smith and Fischlein, 2010, p. 520).

When looking at upstream actors in the value chain, the competition perspective may not be as relevant. In buyer-driven commodity chains (Gereffi and Korzeniewicz, 1994), producers tend to be far more restricted in choosing standards. While producers may be able to use standards to differentiate their products or to proactively ensure buyers of their commitment to certain practices, certifications are in many cases market entry requirements, turning *de jure* voluntary standards into *de facto* mandatory ones (Henson and Reardon, 2005; Busch, 2011). The combination of a risk mitigation standard, now required by several leading European retailers, with a product differentiation standard is increasingly seen as necessary for maintaining access to the most attractive export markets (Homer, 2010). However, to date not much research has explicitly explored, from a producer perspective, the kind of effects that may occur when producers are simultaneously subjected to two or more sets of rules and governance structures. This is not to say that challenges or opportunities associated with multiple certifications have gone entirely unnoticed. A review of research on Fairtrade certification mentions a number of studies suggesting that Fairtrade price premiums and/or organizational structures can enable a transition from conventional to organic farming (Nelson and Pound, 2009). Bain (2010) has documented how the Chilean fresh fruit sector was able to avoid multiple audits by devising its own ChileGAP standard, thereby satisfying the requirements of both the European and US markets. Also relevant is Ouma's (2010) discussion of the friction emanating from attempts to keep in play 'multiple principles of evaluation' in the Kenyan horticulture industry. Ouma (2010, p. 205) notes that the embeddedness of standard implementers in 'specific institutional and environmental contexts and particular business cultures' renders implementation practices less than straightforward. While it is not his main concern, the notion of multiple evaluative principles may well be used to investigate the interrelations of co-implemented standard systems. Such an approach seems well suited for studying how standards, understood as differing conceptualizations of quality and legitimate action, may 'clash'. However, it may also risk leading attention away from how the many requirements of standards can be understood and operationalized differently by variously situated actors and how the co-implementation of standards may compound this matter. A

crucial part, therefore, of any in-depth exploration of the entanglement of certification systems in the sphere of production is an investigation of how the many actors involved in implementation processes *collectively* make sense of standards.

### Standardizing Work and Standardizing Networks

Writing with particular reference to private standards initiatives initiated in the South, Tallontire et al. (2011, pp. 429–430, emphasis in original) assert that ‘we need new tools to consider *horizontal* governance, i.e. how these new regulatory institutions involve and affect others formally or informally involved in setting, monitoring, improving or implementing such standards at the national level’. I would add that we also need to consider how these actors in turn affect the regulatory institutions. To do so it is necessary to complement what Higgins and Larner (2010, p. 205) describe as ‘realist approaches’ to standardization with approaches that allow us to see ‘standardizing work as an ongoing and never completed process of “making up” objects, subjects and practices of modern governing’. Standardizing work is not the exclusive domain of actors with officially mandated roles, such as standard setters, certifiers and standard implementers, but can include the activities of other stakeholders such as development agencies, state officials, interest groups, businesses and non-certified producers. One significant kind of standardizing work is found in the interpretation of standards. While the professional discourse on certification may play this down, the process of interpreting requirements and adapting them to local conditions is far from straightforward, and this may well have consequences in terms of time and resources invested to ensure compliance.

Expanding on the notion of standardizing work and taking a cue from actor-network theory (Whatmore and Thorne, 2008; Loconto and Busch, 2010; Konefal and Hatanaka, 2011) I find it useful to introduce a twin concept of *standardizing networks*, understood as networks of actors and intermediaries engaged in standardizing work with reference to a particular standard. A standardizing network will include both the vertical and horizontal dimensions of governance (Tallontire et al., 2011), and one may find that standardizing networks overlap, revealing the entanglement of certification systems through actors engaged in standardizing work in two or more networks. Such entanglements are not in and of themselves good or bad but are connections through which standard systems can affect each other and as such are deserving of attention. In the following, I set out to demonstrate the entangled nature of two certification systems – GLOBALGAP and Fairtrade – as they are enacted through their standardizing networks on the island of St Vincent in the Eastern Caribbean. I begin by providing some historical context before describing the two standardizing networks and their key actors. A case is then presented, detailing how the introduction of a revised version of the GLOBALGAP standard in 2008 occasioned a spell of interpretive work in which the national farmers’ Fairtrade organization was an influential participant. The subsequent analysis seeks to account for the factors contributing to the entanglement of the two systems.<sup>2</sup>

### The Vincentian Banana Industry

St Vincent and the Grenadines is a multi-island state located in the eastern Caribbean, boasting a combined land mass of 389 km<sup>2</sup> and a population of roughly 120 000.

As with Grenada, St Lucia and Dominica – the other Windward Islands of the former British West Indies – export agriculture has been a mainstay of St Vincent's economy since it was colonized in the eighteenth century. The British transformed these islands to sugar colonies, bringing in African slaves and later on indentured servants to cover the plantations' demand for labour. From the middle of the twentieth century onwards, however, bananas quickly rose to prominence as the dominant export crop as the British company Geest committed itself to marketing all export-quality bananas to the UK from the islands. British authorities, while having their doubts about the islands' ability to compete successfully in the banana trade, nonetheless encouraged the development, partly because it was conceived that bananas could afford social and political stability to the islands (Thomson, 1987; Clegg, 2002), but also because Britain's foreign exchange benefited from having a supply of bananas from its own colonies (Grossman, 1994; Welch, 1994). Consequently Windward Island bananas were granted unlimited duty-free access to the UK market (Grossman, 1994; Lake, 1997). In contrast to sugar, the banana readily lent itself to a peasant mode of production, relying heavily on household labour and often confined to small plots on steep slopes in relatively inaccessible areas (Thomson, 1987; Trouillot, 1988). Smallholders embraced this opportunity to the point that the Windward Islands experienced a banana boom in the 1950s, and it has been calculated that in St Vincent the banana share of total exports increased from 5.6% in 1955 to 48.3% in 1959 (Spinelli, 1973). It bears noting that the banana not only represented the prospects of a decent income to the peasantry, but also a sense of autonomy. At a time when many were still relying on employment on plantations, to be a self-sufficient banana farmer signalled a sense of accomplishment that was not reducible to simple economic gain. Farming was an opportunity to be independent and self-made (Grossman, 1998). Indeed, banana farming in the Windward Islands is still valued for the freedom it provides the farmer, despite the many existing regulatory constraints (Slocum, 2006).

### **Quality Issues and Controls**

This is not the place for an account of the changing fortunes of Windward Island bananas or the many challenges faced by the industry and the farmers, but it is worth noting that after the initial boom of the 1950s it became clear that efforts would have to be made to improve the quality of the exported produce. Quality scores were inconsistent and often far below those of 'dollar bananas',<sup>3</sup> causing the British government to threaten to withdraw preferential treatment (Grossman, 1994). Writing of St Vincent, Spinelli (1973, p. 189) notes that 'the heady venture into bananas inevitably brought ill-equipped farmers into the industry'. The lands these farmers had access to were often second-rate and small farm sizes and rugged terrain prevented any significant mechanization. In the early days, farmers hardly used pesticides or inorganic fertilizers and when such inputs were promoted by industry officials in the 1970s, farmers would often be unable to follow recommended application rates (Hubbard et al., 2000). Still, it was believed that research and development along with efforts to educate farmers could render the industry more viable. From the mid-1970s onwards the islands' statutory banana growers' associations (BGAs) to which the farmers were obliged to sell required them on several occasions to make significant changes in harvesting and packing procedures intended to optimize fruit quality (Grossman, 1998). It was not until the early 1990s, when European integration threatened to erode the industry's trade preferences in the UK market, that the

industry began to consider radical steps to improve its competitive standing. This was to be achieved by weeding out the farmers who were unable to deliver a constant supply of top-quality fruit. A programme for restructuring was agreed upon, involving the creation in 1994 of a new company – the Windward Islands Banana Development Company (WIBDECO)<sup>4</sup> – co-owned by the island governments and the BGAs. WIBDECO, in a joint venture with the Ireland-based multinational fruit company Fyffes, was able to acquire Geest's banana division the following year, thereby expanding its operations into shipping and marketing (Lewis, 1998). The company then set about to penetrate the retail sector where the best prices were to be attained. To do so required some wooing of the multiples who were reluctant to source bananas from the Windward Islands precisely because of the quality issues. In 1996, WIBDECO launched its own certification system, the Certified Growers' Programme (CGP), tailored to meet the multiples' requirements (St. Lucia Online, 2000). Certified farmers would receive premium prices in return for adherence to specified agronomic and hygiene practices, the construction of an adequate packing shed and the availability of an access road to the farm (Lewis, 1998; Clissold, 2001). The level of investment required, however, made it difficult for the smallest growers to attain certification (Addy, 1999). Indeed, it was an expressed objective of the restructuring enterprise to create the conditions whereby only a core of progressive and productive growers would remain, and it was believed that these growers could be assisted in increasing their production to the point where they could make up for the reduced total number of active growers (Lewis, 1998; Aasprong, 2012). EU funding, which provided the backbone of the restructuring enterprise, was to be strategically directed at farmers who were certified or who had the potential to become so (Hubbard et al., 2000). For a while it seemed that the CGP was successful in turning things around, but more trouble loomed ahead. The new millennium brought with it reduced banana prices, a series of hurricanes, and continued uncertainty with regard to the future of trade preferences, all contributing to a continued decline in the number of active growers, taking the Windward Islands banana industry to the brink of collapse.

### **Survival by Certification?**

Since the restructuring exercise of the 1990s and the introduction of the CGP in 1996, the fortunes of the Windward Islands banana industry have been tied to its ability to supply the UK multiples with what they want. This was the decade that the UK multiples began in earnest to develop their own food safety codes, responding to the Food Safety Act 1990, which extended their liability for food safety upstream (Hobbs and Kerr, 1992; Henson and Northen, 1998). Shortly after the introduction of the CGP, several UK multiples, along with counterparts on the European continent, began work on what would become the GLOBALGAP standard – a harmonized set of production standards that would render proprietary codes such as the CGP redundant.

### **The GLOBALGAP Network**

GLOBALGAP, short for Global Good Agricultural Practice, is a sector-specific, pre-farm gate standard with an emphasis on food safety, also covering areas such as

environmental protection, traceability, and worker health and safety. The initiative grew out of a retailer consortium established in 1997 under the name EUREP (Euro-Retailer Produce Working Group). While the secretariat was hosted by a German retail institute, the chairman was Nigel Garbutt of the UK food retailer giant Safeway, a man who had previously played a key part in bringing to fruition the Assured Produce Scheme – an industry-wide certification system for domestic producers in the UK (van der Grijp, 2007). The first EUREP protocol, with a scope covering fruits and vegetables, was ready in 1999 and named EUREPGAP (Möller, 1999). The standard was devised as a generic HACCP approach to farming and was comprehensive in scope, covering farm activity from the seed stage to the dispatch of the final product (Campbell, 2005). It has since been revised three times (in 2004, 2007 and 2010) and with the third edition the name of the standard, as well as the organization in charge of it, was changed to GLOBALGAP (the name used hereafter), reflecting the initiative's global ambitions and expanding reach.

Several of the UK multiples sourcing Windward Islands bananas were actively involved in creating GLOBALGAP. Inevitably they must have wanted WIBDECO to adopt the system, and in 2003 WIBDECO began sensitizing farmers about the standard (Government of Saint Lucia, 2003). It was decided that WIBDECO, as a producer group, should apply for what is referred to under GLOBALGAP as an Option 2 certification, designed to make certification feasible for smallholders. With Option 2, the producer group is required to run a quality management system (QMS), carrying out annual internal inspections of all growers covered by the certification. The QMS itself is subject to an annual external audit by an accredited certification body, chosen by the producer group. Producer group certification allows for the centralization of certain tasks, such as generic paper work, easing the burden somewhat on the individual producer. Nonetheless, EUREPGAP represented an even more formidable challenge to the small farmers than what had been the case with the CGP. During a farm inspection, which could be expected to last around four hours, the inspector would verify compliance with more than 250 control points. These were, and still are, divided into three categories: 'major musts' (requiring total compliance), 'minor musts' (95% compliance rate), and 'recommendations' (compliance is not required but recommended) (EUREPGAP, 2001; WIBDECO, 2004). In St Vincent the first grower to obtain GLOBALGAP certification did so in late 2004 but here, as on the other Windward Islands, the process of having farmers certified progressed slowly and by 2010 less than half of approximately 1,000 active banana farmers were GLOBALGAP certified (Daniel, 2010). In my conversations with growers and extension officers, requirements frequently mentioned as troublesome pertained to mandatory training, record keeping, mandatory equipment and infrastructure, and, to a lesser degree, knowledge of 'good agricultural practice'. At the time of fieldwork the team of extension officers under the direction of the St. Vincent Banana Growers' Association spent a significant portion of their time assisting farmers with the certification issues on an individual basis.

### **The Fairtrade Network**

In contrast to GLOBALGAP's market and consumer orientation, Fairtrade certification grew out of a broader fair trade movement concerned with the reduction of poverty and the empowerment of producers in developing countries. More specifically, the initiative aimed to assist smallholders in collectively lifting themselves out of

exploitative and unsustainable trade relationships by creating links with concerned importers and consumers in the North. Early formalized fair trade<sup>5</sup> initiatives were developed by charities, Oxfam being a notable example, in the years following the Second World War (Dankers, 2003). From the late 1980s onwards, several national fair trade labelling schemes began to appear in Europe and, in 1997, these were mainstreamed under Fairtrade International, the umbrella organization formally in charge of the Fairtrade standards<sup>6</sup> (Raynolds, 2000).

The adoption of Fairtrade certification in the Windward Islands banana industry was the outcome of a farmer-led initiative dating back to 1992. The year was a peak year in terms of industry revenue but also a time of uncertainty about the continuation of trade preferences as EU members were negotiating a common banana regime to be implemented under the Single European Market. Seeking to take a proactive role in the face of less favourable terms of trade, the Windward Islands Farmers' Association (WINFA) began to explore whether marketing arrangements could be adjusted to the benefit of the producers. As an umbrella organization for farmers' associations in the Windward Islands, WINFA had realized the value of establishing links with other producer organizations and NGOs internationally.<sup>7</sup> Its network included Christian Aid and Oxfam in Britain, NGOs which sponsored and coordinated a WINFA fact-finding mission to the UK and Belgium in 1992. It was here that WINFA delegates learned of pioneer efforts in the marketing of fairly traded bananas in Europe and were encouraged to pursue that path. Still, a number of obstacles had to be cleared before the first Windward Islands Fairtrade bananas were ready to ship. Importantly, British multiples had to be persuaded to put their weight behind Fairtrade certification, but so did banana farmers and industry officials in the Windward Islands. In lobbying the former, WINFA had great help from its NGO allies, including the Fairtrade Foundation. In St Vincent, the leadership of the Banana Growers' Association was sceptical of Fairtrade, perhaps fearing that a national Fairtrade organization would be a challenger vying for authority and control of the industry (Rose, 2009). Despite local controversy the first shipment of Fairtrade bananas from the Windward Islands arrived in the UK on 25 July 2000 (Liddell, 2000), and Fairtrade exports grew significantly over the succeeding years in response to increased demand (Smith, 2010; Fairtrade Foundation, 2011). By 2009, more than 90% of the Windward Islands banana farmers were registered as Fairtrade producers and were organized in national Fairtrade organizations such as the St Vincent and the Grenadines Fairtrade Organization (SVGFTO), coordinated by WINFA. Of the bananas exported to the UK that same year, 90% were sold on Fairtrade terms suggesting that Fairtrade certification had afforded a new lease of life to the industry (Fairtrade Foundation, 2010).

Fairtrade standards apply to the production as well as to the trade relationship. The trade standard requires, *inter alia*, that producers are guaranteed a minimum price, calculated to cover the cost of sustainable production. On top of the minimum price, the producer group is guaranteed a premium to facilitate democratically elected community development projects. The producer standard covers social, socio-economic and environmental development, as well as labour conditions. For the farmers this entails restrictions on their use of pesticides, and in particular herbicides, but they must also maintain uncultivated, pesticide-free buffer zones next to streams and roads. The producer organization is required to operate in a democratic, transparent, and non-discriminative manner with an overarching aim to 'promote the environmentally-sustainable social and economic development of the

organization and its members' (FLO, 2009, p. 6). In this manner, the Fairtrade standards encourage farmers to make use of their organization to collectively overcome difficulties of all sorts. The following case demonstrates how the St Vincent and the Grenadines Fairtrade Organization actively sought to assist its members in dealing with a GLOBALGAP control point construed as such a problem.

### **Beyond the Standard: The Case of the Lunch Rooms**

As I arrived in St Vincent for a year of fieldwork in July 2008, banana farmers were coming to grips with the latest version of the GLOBALGAP standard. With this new version the certification system had been renamed from EUREPGAP and Vincentian banana farmers, perhaps intimidated by the name change, perceived the revision to be a major one. Moreover, I learned that farmers were failing the internal inspections at an alarming rate and that this was at least in part because they lacked 'lunch rooms' on the farms.<sup>8</sup> On a number of occasions I overheard farmers voicing their frustration over this and other requirements, but what does the standard actually say? GLOBALGAP version 3, published in August 2007, added 11 new 'major must' and 21 new 'minor must' control points (Cooper and Graffham, 2009). The control points that gave rise to the issue of lunch rooms were two of the new 'minor musts': one dealing with worker welfare and the other with personal hygiene during fruit handling. The worker welfare requirement stipulates that workers should 'have access to clean food storage areas, designated dining areas, hand washing facilities and drinking water' (GLOBALG.A.P., 2007a, AF. 3.5.4.). The hygiene requirement stipulates that 'smoking, eating, chewing and drinking [should be] confined to designated areas segregated from products' (GLOBALG.A.P., 2007a, FV. 5.2.4.). None of these control points call explicitly for a *lunch room* in the sense of a physical structure, but they specify that a *designated area* should be set apart from areas of produce handling and storage. Yet, the idea that GLOBALGAP required lunch rooms seemed to be firmly entrenched in the Vincentian banana industry. If the requirement had been interpreted in a stricter than necessary manner, why was that the case? To answer that question it is necessary to examine two factors that have had a strong bearing on standardizing work in this case. First, when new GLOBALGAP requirements are introduced, an interpretative space is opened that can only be closed when an external audit has taken place and the auditor, with their interpretive authority, has made a judgement. During this period between revision and audit, uncertainties with regard to what is demanded could well have the effect of swaying certification stakeholders into operating with stricter interpretations than would have been necessary. If, as claimed, farmers were failing their internal inspections partly because they lacked lunch rooms, in all probability this was because internal inspectors wanted to avoid any questioning of the integrity of the QMS. Second, when no authoritative interpretation has been established there is more room for other actors with a stake in certification to influence the understanding of requirements. In this case, the SVG-FTO did just that by seeking to assist farmers in attaining GLOBALGAP certification by providing materials for the construction of lunch rooms. In the following two sections I examine these propositions in closer detail.

### **The Chain of Interpretive Authority**

Once a revised version of the GLOBALGAP standard is introduced a process is initiated by which key actors' interpretations of the requirements are calibrated.

It is a process whereby multiple layers of control manifest themselves as actors of increasing authority check up on each other. Uncertainties occasioned by new or changed rules will eventually be reduced if not completely eliminated. This case demonstrates, however, that one manner of dealing with uncertainties is to entrench stricter than necessary interpretations, which may divert time and resources that could have been employed more strategically in ensuring standard compliance. At the heart of this process is what I call the 'chain of interpretive authority', emphasizing the involvement of a chain of actors with diminishing privilege in establishing interpretations.

The chain of interpretive authority consists of the GLOBALGAP standard setters, the certification body carrying out the annual external audit,<sup>9</sup> WIBDECO's QMS, industry extension officers, and the farmers. While the GLOBALGAP standard is published online and in theory available to anyone in the chain, it is not expected that farmers, many of whom have little education beyond primary school (Titus et al., 2008),<sup>10</sup> get immersed in standard documents. The farmers rely rather on others, primarily the extension officer in their area, to explain the details of what needs to be done. The extension officers, who each assist about 100–150 farmers (Sylvester Vanloo, personal communication, 1 October 2008), build up a good deal of experience with the standard and share their experiences with one another in weekly meetings. Furthermore, once a farmer has completed an inspection he or she will take the results to the extension officer who, in the case of non-compliances, will assist in making any necessary corrective actions. In this manner, the extension officers stay attuned to the internal inspectors and adjust their own understandings of the requirements when necessary. When a revised standard is introduced the first internal inspections are important 'first tests' of the extension officers' interpretations. However, the internal inspectors may find that their take on the standard differs from that of the external auditor whose interpretive authority outweighs their own (Djama et al., 2011). Consequently, the external audits are awaited with anxious anticipation by all industry stakeholders. Everybody knows that the auditor's judgements will validate or reject interpretations made further down the chain. The authority relations of the chain are rigidly formalized: the certification body must be approved by GLOBALGAP, the WIBDECO QMS is audited by the certification body, and farmers are inspected by the internal inspectors. Additionally, a random sample of farmers and the extension services in their capacity as advisers are also checked during the external audit.<sup>11</sup> While there is fairly frequent communication among the actors of the chain situated in St Vincent, and also between St Vincent and WIBDECO's head office in St Lucia, the crucial delay in the chain is caused by the lapse of time between a standard revision and the external audit. When an external auditor eventually provides a definite interpretation of requirements, time, money and efforts may have been invested in complying with a stricter than necessary interpretation.

The issue of interpretation and the case of the lunch rooms came up when I interviewed the man who did the 2008 external audit on St Vincent. Speaking on one of the final days of his visit, and with reference to what he had seen during farm inspections, he was happy that the internal inspectors had taken a tough approach to farm inspections. They 'should give no mercy', he expressed, explaining that he himself did not want to have to give mercy on the external audit. 'Let the external auditor maybe make a judgment, but the internal auditor get very strict', he concluded (interview, 6 November 2008). The operations manager in charge of the extension team had a somewhat different perspective, worrying that for every farm

with a lunch room the pressure would increase on the remaining farmers, regardless of what GLOBALGAP actually required. 'The thing is', he explained during an interview, 'once you've started [building lunch rooms], it is like you set the standard' (Sylvester Vanloo, interview, 15 May 2009).

The external auditor had left no doubt that the lunch rooms, while nice additions to the farms, were not required by GLOBALGAP:

'You take eating facilities. I'm quite impressed with what they've done here, on this island... Had they approached it in a more simple fashion I would almost certainly have been quite happy with that as well. If you've got three people working, you don't need a great big eating facility. You can always have three chairs and a sunshade or umbrella. That's it really' (interview, 6 November 2008).

The view was echoed by WIBDECO's GLOBALGAP scheme manager who proclaimed, while speaking to farmers in St Vincent a few months later, that the lunch rooms were not required by GLOBALGAP but nonetheless a positive step for the industry, which exemplified how St Vincent on occasion went 'beyond the standard'. It seems, however, that going beyond the standard was not a deliberate choice, but the outcome of strict internal inspections. This was operations manager's opinion and in his view the damage had already been done by the time the external audit took place. At that point there seemed to be no turning back, a momentum having been created that would not be stopped easily. To understand why, we must expand our view and look at the role played by the SVGFTO.

### **The SVGFTO and GLOBALGAP**

With the growing popularity of Fairtrade among British consumers and retailer insistence on GLOBALGAP certification, the two certification systems were, at the time of fieldwork, both essentially acting as market entry requirements for Windward Islands bananas to the UK. Consequently, the SVGFTO's pursuance of Fairtrade premium financed projects hinged on whether the Fairtrade farmers were also GLOBALGAP certified. Were they not, these farmers' bananas, grown in compliance with Fairtrade requirements, would likely end up being sold as conventional bananas on the regional market. Thus, the SVGFTO had a direct interest in facilitating GLOBALGAP certification. To this end the monthly meetings in the 16 local Fairtrade groups were sometimes used for informational and educational purposes. The meetings provided a convenient means for extension officers to pass information to farmers on a regular basis. From time to time the groups would also be used for workshops on topics such as record keeping, health and hygiene, first aid and pesticides – all rendered necessary by GLOBALGAP. The SVGFTO provided an organizational structure that could be utilized in the task of bringing hundreds of farmers 'up to standard'. Nevertheless, information given about GLOBALGAP in regular group meetings was often ad hoc and on several occasions led to heated arguments, which perhaps diminished the value of the meetings as a source of unambiguous guidance.

The SVGFTO's involvement with lunch rooms did not confine itself to group meetings alone. On the national level the National Fairtrade Committee, consisting of an elected representative from each group, had decided to use from the Fairtrade premium to assist farmers with GLOBALGAP certification. Allocations were made in 2008 to assist farmers with infrastructure necessary for certification, including pit

toilets, shed improvements and lunch rooms. That assistance had contributed to the construction of the lunch rooms that had so impressed the external auditor. According to the work plan presented to the SVGFTO general assembly in 2009, a total of approximately XCD52,000 (Eastern Caribbean dollars) (USD19,000) was again allocated for these measures that year. The SVGFTO had been in the process of securing significantly more money, however, through external funding from the Saint Vincent and the Grenadines Social Investment Fund (SVGSIF), a development programme largely funded by the EU. In March 2009, four months after the external audit, Vincentian media could report that the SVGSIF was about to sign a contract with the SVGFTO 'for the building of 282 ventilated improved pit toilets and 519 lunch facilities' throughout the island (NBC Radio News, 2009). With the expressed goal of assisting 645 Fairtrade farmers in attaining GLOBALGAP certification the SVGSIF committed a total of XCD815,000 (USD300,000) to the project – a sum that reportedly would be met by an equal investment from SVGFTO (NBC Radio News, 2009). The money would be used to provide necessary building materials to Fairtrade farmers actively seeking GLOBALGAP certification. With this development the process of building lunch rooms gained momentum as the whole organizational apparatus of the SVGFTO was employed to tackle logistical challenges, comply with procedural requirements and ensure that the targets were met.

The sourcing of external funds had committed the SVGFTO to a course of action and made it very difficult to raise the question of whether the 519 lunch rooms were strictly speaking necessary. In fairness, the lunch rooms, while sometimes described as elaborate, were really very simple expansions to existing packing sheds. But was there ever a point in time when a more cost effective 'three chairs and a sunshade' solution was considered? Although I was not privy to many of the meetings and discussions on the national level, I know that the National Fairtrade Committee, following the external audit, had been made aware that other and simpler options were acceptable alternatives to lunch rooms. In fact, the National Fairtrade Committee chairman himself, who was also an extension officer, stressed in a meeting the month after the audit that a few chairs in a sheltered and bordered off space would have been sufficient for compliance. Yet, once the external audit had afforded clarification with regard to what GLOBALGAP actually demanded, the SVGFTO had already established the practice of assisting farmers with materials and had applied for funds to scale up that assistance. Farmers who had seen lunch rooms appear on other farms were expecting to benefit themselves. From this I infer that the lunch-room initiative continued because it had considerable support from the farmers. Yet, as the distribution of materials progressed, one of the chief barriers to meeting the construction targets was the inability or reluctance of many recipients of materials to build the actual structures or to pay someone to do the work. Some did not even collect their materials from the hardware store. The project coordinators warned that foot-dragging threatened to bring the whole project to an early end, and they had to spend a lot of time doing follow-ups of recipients to ensure that they did their part. In the end, however, only a total of 282 lunch rooms were constructed (Ellisia Tesheira, personal communication, 3 May 2011).<sup>12</sup>

### **The Entanglement of Certification Systems**

The case of the lunch rooms demonstrates nicely the ongoing and never-finished process of standardizing work, but it also demonstrates how certification systems

can entangle through their standardizing networks. Some further remarks should be made in this respect focusing on the features of the systems that seem to provoke entanglement. It has been noted that the SVGFTO effectively found itself a stakeholder in GLOBALGAP certification when both Fairtrade and GLOBALGAP had become market entry requirements for Vincentian bananas to the UK and, consequently, the continued influx of a Fairtrade premium relied on farmers having both certifications. Seeking to assist farmers with lunch rooms was in this sense a measure of self preservation for the SVGFTO. Yet, when the organization took this action it was also very much in line with the intent of the Fairtrade standards, which place a great deal of weight on the small producer organization's potential for empowering and facilitating the social and economic development of its members (FLO, 2009). Based on the premise that the producer group plays a key role in educating and raising awareness among its members, the Fairtrade standards are directed at the producer group rather than at the individual farmer. An integral part of the Fairtrade standards therefore deals with organizational structures and practices intended to 'maximise the participation of members and their sense of ownership over the organization' (FLO, 2009, p. 7). Possibly because of the strong emphasis on the organization, farmers in St Vincent in many cases do not distinguish between the Fairtrade and the SVGFTO. Indeed, the term 'Fairtrade' is typically used to refer to the SVGFTO, rather than the certification system, the international organization or the larger social movement. With GLOBALGAP the situation is very different. A producer group, as defined by GLOBALGAP Option 2 certification, is a different kind of entity altogether, its primary function being the operation of the QMS (GLOBALG.A.P., 2007b). While this does not preclude the producer group from assuming wider responsibilities with regard to its members, it is evident that GLOBALGAP enacts the producer organization as a risk mitigation tool rather than as a potential agent of producer empowerment. The fact that the Vincentian farmers' producer group for the purposes of GLOBALGAP certification is WIBDECO reinforces a perception among farmers of GLOBALGAP as an external force exerted upon them, much like other demands of the market. WIBDECO is based in St Lucia and has since its inception wielded considerable power over the farmers as a standard setter and the sole link to the UK market. As such, many farmers view the company with suspicion and it is accused regularly of having concern only for its own profits and not for farmers' well-being. Its presence in St Vincent is limited as it falls upon the extension officers to advise farmers on the GLOBALGAP standard. In sum, where Fairtrade is manifested through the SVGFTO and has a continuous presence in farmers' lives, GLOBALGAP is manifested only occasionally through the WIBDECO QMS in a context of control. Where Fairtrade invites farmers to participate through the SVGFTO, the GLOBALGAP standard reaches the farmer through extension officers as directives from WIBDECO – a removed gatekeeper to the market. The glaring absence in St Vincent of a GLOBALGAP equivalent of the SVGFTO, i.e. a visible producer organization manifesting the standard and taking a lead in standardizing work, invites the SVGFTO to assume that function. The frequent discussions of GLOBALGAP requirements in Fairtrade group meetings, the use of Fairtrade groups as a basis for conducting GLOBALGAP workshops, and the use of Fairtrade premium to assist farmers with GLOBALGAP certification are all indicators of the entangled nature of the two certification systems. The SVGFTO, it appears, has become a central actor in the GLOBALGAP standardizing network.

## **Conclusion**

In the preceding pages, I have demonstrated two important features of standardizing work in the Vincentian banana industry. The first feature pertains to the significance of interpretation as a kind of standardizing work and the possible ramifications of action taken in the absence of authoritative interpretations. The case of the lunch rooms shows how a chain of interpretive authority is at work where each actor in the chain is in a position to validate or refute interpretations made closer to the farm setting. In this chain the grower is expected to pay heed to the advice of the extension officer, the extension officer must accept the interpretations of the internal inspector, and the internal inspector is subject to corrections from the external auditor. I argue that in the time following a revision of the GLOBALGAP standard there is a tendency that internal inspectors interpret requirements in a stricter than necessary manner so as to avoid questioning of the integrity of the QMS in the subsequent external audit. As a consequence, time and resources invested in ensuring standard compliance may be deployed in a less than optimal manner while interpretations are being calibrated.

The second feature demonstrated is the capacity of certification systems to entangle where actors from one standardizing network have a stake in another network and consequently seek to influence the standardizing work in it. This is the case in St Vincent where the SVGFTO has found that Fairtrade sales hinge on whether Fairtrade farmers are also GLOBALGAP certified, both certifications having become market entry requirements in the UK retail market. As a producer group actively seeking its members' participation, the SVGFTO was well situated to act on behalf of the Fairtrade farmers and the Fairtrade premium gave it the financial capacity to do so. Moreover, the organization's endeavours to benefit its members contrasted sharply with the more control-oriented focus of WIBDECO. The SVGFTO's provision of assistance made it easier for farmers to see the lunch rooms as a potential boon and not just a burden; however, it also had the effect of reinforcing prevailing strict interpretations. The National Fairtrade Committee realized, following the external audit, that the building of lunch rooms was a somewhat 'elaborate' way of ensuring compliance but found itself committed to a course of action. With the benefit of hindsight one may well question the wisdom of this approach. However, the more important message is that the delay in calibrating interpretations created a window of opportunity for the SVGFTO to become involved in standardizing work and influence the farmers' understanding of the standard.

The material from St Vincent demonstrates the usefulness of standardizing networks as a concept, reminding the analyst of the often broad participation in standardizing work. As such it is a methodological pointer, guiding the researcher concerned with standard implementation processes, as well as a means of making sense of the often less than straightforward nature of those processes. Because standardizing networks may well entangle, the concept allows us to appreciate how multiple certification systems in the sphere of production can influence and be influenced by one another. Despite the now commonplace scenario of co-implementation of certification systems, this is a trend that has received little scholarly attention. Research on the impact of agri-food certification systems is a rapidly evolving field of study reflecting the tremendous societal importance of certification as governmental technology. However, to reach a fuller understanding of certification as a mode of governance, researchers need to be critical of techno-scientific discourses, as well as realist approaches to standardization. To these should be added meticulous studies

of sometimes entangled standardizing networks and the standardizing work going on within them.

## Notes

1. I use the term 'certification system' to refer to the totality of a 'standard' and a 'certification scheme', the latter term referring to the rules that guide the use of certification as an enforcement structure.
2. The article draws on qualitative data collected during a year of field research in St Vincent from July 2008 to August 2009. Of particular importance is participant observation at a range of meetings within the framework of the St. Vincent and the Grenadines Fairtrade Organization, including 27 meetings in four separate local groups, but also national- and zonal-level meetings and workshops. Thirty-three farmers were chosen for in-depth interviews of about an hour on average and 28 in-depth interviews of similar length were conducted with industry officials and other key figures. Data are also drawn from participant observation of extension work, including extension service meetings, and both internal and external GLOBALGAP farm inspections. Finally, informal conversations with farmers in the farm setting as well as participation in farm work provided a ground-level perspective on certification requirements.
3. The term refers to bananas from Latin American plantations owned by US multinationals, the trade of which was carried out in US dollars. For the historical background on the emergence of the Latin American/US and the Caribbean/European commodity systems in the global banana trade, see Reynolds (2003).
4. WIBDECO changed its name to Winfresh in 2010, emphasizing a diversification away from bananas. Because the material presented here is from the period prior to that name change I use the old name throughout the article.
5. Note the distinction between 'Fairtrade' and 'fair trade', the former referring to the certification system and the latter to the idea and the movement.
6. The organization was originally named Fairtrade Labelling Organizations International, changing its name to Fairtrade International in 2011.
7. As a civil society organization, WINFA should not be confused with the statutory banana growers' associations buying bananas from farmers and selling to WIBDECO. WINFA has been heavily involved in championing the cause of Windward Island banana farmers since 1992, but the organization also addresses the situation of Caribbean farmers and rural communities more generally, advocating on issues such as food security, gender equity and sustainability <<http://www.winfacaribbean.org/index.php/about-us>>.
8. The results of farm inspections being confidential, I was unable to verify this through inspection reports.
9. To my knowledge the same European company had been contracted by WIBDECO each time, possibly because there is no GLOBALGAP accredited certification body in the Caribbean.
10. Titus et al.'s (2008) survey of 194 farmers in St Vincent found that 66.5% had received only primary education.
11. In practical terms, this means that the external auditor inspects a sample of producers not smaller than the square root of the total number of GLOBALGAP registered producers. The auditor also verifies documentation establishing the extension officers' competence, training, and qualifications.
12. It may be that a sizeable number of farmers who were set to receive assistance left the banana industry during the period that the project ran.

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## **Inferring the Unknown: Enacting Organic Standards through Certification**

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**Abstract.** In the food and agricultural sector, third-party certification has become a prominent mechanism to organize markets for 'sustainable' products. Yet, to date the everyday activities through which this is achieved have not been examined. Based on my empirical study of the reproduction of the standards for organic agriculture in the UK, I develop an account of certification practice. I conceptualize the knowledge object of the certification process as having epistemic dimensions that are allowed to unfold for limited periods of time. I argue that there is a systemic absence of knowledge in the certification process, and that the resulting uncertainty in the process cannot be resolved. However, paralysis in the process and arbitrary decision-making are avoided through standardized procedures. I argue that in third-party certification the discretionary space to find interpretations of standards has shifted from farmers to certification bodies. I suggest that this space is highly formalized and documented in response to the inherent uncertainty of certification. I suggest that 'sustainability' standards are continually rewritten in the certification process and that therefore they are alive. The everyday activities of certifying licensees enable the circulation of the knowledge objects of different licensees through which the enactments of licensees become connected. I argue that this formalizes and strengthens the uniformities across time and space that are constructed through standards. I conclude that certification is not mere observation but that it actively shapes how 'sustainability' standards are enacted in farming practice.

### **Introduction**

Most 'sustainability' standards in the food and agricultural sector are based on a certification system in which an independent actor verifies the claims of a producer that the production processes comply with these standards – so-called third-party certification (Hatanaka and Busch, 2008; Busch and Loconto, 2010).<sup>1</sup> Once certified, the producer is licensed to market the resulting products as having additional qualities (Callon et al., 2002), often at a price premium. For buyers of these products, the certificate provides a guarantee of compliance with these standards (Hatanaka et al., 2005) and therefore enables the transaction in markets constituted by the standards

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(Van der Kamp, 2012). Put differently, the independent certification of farming practices is the *precondition for the functioning of these, usually global, markets for 'sustainable' produce*: only once conformity with the relevant standards has been externally verified can produce legitimately be qualified (e.g. through labelling) and traded as such. Thus, certification provides a mechanism for the governance of food production along long and convoluted supply chains (Tanner, 2000) – a mechanism that is, according to the dominant discourse, particularly effective in organizing compliance with standards due to the independence of the actors carrying out certifications (Hatanaka and Busch, 2008). In their analysis of this claim, Hatanaka and Busch suggest that on an organizational level certification bodies are usually independent but that on an operational level this is not always the case. Certification bodies act as strategic actors promoting specific objectives, and are embedded in social, political and economic systems. While they are not quite involved in supply chains like producers and buyers, their activities are constitutive of specific sets of 'qualified' markets.

This implies that the way in which 'sustainability' standards are mobilized and reproduced through the activities of certification bodies is relevant to the constitution of these markets. This extends beyond political influence at the institutional level (e.g. Hatanaka et al., 2005; Mutersbaugh et al., 2005) and in the constitution of new markets (e.g. Higgins et al., 2008) to the everyday activities and practices of individual actors in the certification of licensees. Yet, with the notable exception of Seppänen and Helenius (2004), who analysed the role of advice in inspection practices in relation to the definition of organic farming in Finland, to date there are no studies examining the practices through which licensees are certified. This raises questions about how the routine performances of the activities that make up the certification process are implicated in shaping how these standards are reproduced: how can the everyday activities of actors involved in certifying licensees be characterized? How do they shape different aspects of the certification process? How is the knowledge constituted through which licensees can be certified, and how does this affect producers?

To answer these questions, the article is structured as follows: in the next two sections, I briefly set out the theoretical orientation of my argument and describe the methods underpinning the empirical research. Then, I examine some of the properties of the knowledge object of the certification process, and conceptualize it as having epistemic dimensions (drawing on Knorr Cetina, 2001) that are allowed to unfold for limited periods of time through a managed process. After that, I argue that there is a systemic absence of knowledge in the certification process, and suggest that the resulting uncertainty in the process cannot be resolved but that it also cannot lead to paralysis in the process or to arbitrary decision-making. This is followed by a discussion about how interpretations are coordinated to reduce the impact of this uncertainty. In the final section, I conclude that the enactment of the organic standards through certification results in multi-authored standards in which the practices of individual licensees become connected and through which employees of certification bodies actively shape farming practice in specific ways. This leads me to suggest that certification is not mere observation, but that it constitutes an active shaping of how 'sustainability' standards are enacted in farming practice.

### **Theoretical Positioning**

As central features to (most) forms of standardization, standards provide rules through which uniformities across time and space are constructed (Timmermans

and Epstein, 2010). These uniformities are created because standards extend beyond a single community of practice or site of activity, and are positioned to make ‘things work together over distance and heterogeneous metrics’ (Bowker and Star, 2000, p. 14). Thus, they contribute to sameness and difference (Higgins and Larner, 2010): actors, things and practices become standardized and therefore, in some sense, the same – uniform. In relation to entities that are not, or differently, standardized, these entities become different. Therefore, standards do more than merely assist in the value-free and neutral resolution of technical aspects of sustainable practices. Indeed, recent studies (e.g. Bowker and Star, 2000; Timmermans and Berg, 2003; Bingen and Busch, 2006; Lampland and Star, 2009; Higgins and Larner, 2010; Busch and Loconto, 2010) have illustrated how standards incorporate social, political and economic interests. As thoroughly socio-technical objects, they establish and shape relations between distributed social and material aspects of everyday life, with enduring effects.

To examine the practices of certification, I therefore draw on concepts that put the object central in the constitution of socio-material practice. Rooted in Science and Technology Studies, I see objects as entities that are ‘constructed by actors as they make sense, name, stabilize, represent and enact foci for their actions and activities’ (Engeström and Blackler, 2005, p. 310). But these entities cannot be constructed arbitrarily: they have histories and enable particular ways of doing, but also offer resistance to change. As such, they are ‘black boxes’ (Latour, 1987), i.e. stable assemblages of heterogeneous elements that generate predictable outputs from inputs. Functioning smoothly once closed, black boxes become invisible in socio-material practice. Objects are generally not material, although they are usually embodied in material artefacts. To understand how they are performed through practice, I draw on Mol’s (2002) concept of ‘enactment’. This refers to the emergent ‘doing’ of an object in instantiations of practice which are locally situated (Suchman, 2007). I therefore see the practices of certifying licensees against standards as dynamic, yet routine, situated everyday activities through which those standards are enacted.

## **Methods**

This article is based on data generated through fieldwork at the certification body Soil Association Certification Limited (SACL).<sup>2</sup> For one full day per week over 10 consecutive weeks from the end of September 2009, I observed and interviewed staff during their daily activities in their offices in Bristol. I mainly studied the routines of the team dealing with farmers, consisting of nine certification officers and two technical managers.<sup>3</sup> To capture different aspects of their everyday activities, I sat next to different officers while they carried out their daily activities. This showed how certain routines were carried out, but also how members of the team interacted over areas in organic standards for which certain officers acted as specialist advisers to the team. Also, I accompanied an inspector to observe the day-long inspection of a licensee in December 2009; the licensee was a company supplying grass and cereal seed to the agricultural sector. Supplementary data came from interviews with eight other officers, inspectors and senior managers of SACL.

With unrestricted access to the databases that the certification officers and inspectors use in their daily work, archival data came from cases presented to the Certification Committee – the authority on how standards are to be interpreted in practice. In particular, I searched for detailed cases representing conflicts or interpretive uncertainty over how certain rules in organic standards should be enacted. The docu-

ments in the database provided data about how interpretations were established and negotiated and conflicts resolved between licensees and SACL. The sample included 174 cases in which the Certification Committee could not refer to a previous decision or otherwise established explicit interpretation of a rule and therefore required the explicit development of an interpretation.

During all of my fieldwork I kept extensive notes of the activities I observed, the objects and artefacts that were mobilized in them, and the context in which these activities were carried out. Both the observations of certification officers and the inspection were covered by confidentiality agreements. Interviews ranged from 45 minutes to three hours although most were around an hour in duration. Every interview was recorded on a digital recorder and fully transcribed afterwards.

Alongside the generation of data, I continuously analysed what each new instalment of data added to my understanding of certification practice. The analysis of interview data moved from literal to interpretive and reflexive readings to draw out relevant themes. In the second round of analysis, I linked theoretical resources with data from observing SACL employees, and added the reflexive readings of interview and archival data to bring into focus the underlying mechanisms for the practices described. In what follows, I draw interchangeably on different sources of data and theoretical resources to develop an account of the multilayered nature of enacting certification practices.

### **Conceptualizing the Certification Process**

The role of the activities in the certification process is to check ‘that products, materials, services, systems or people measure up to the specifications of a relevant standard’ (ISO, 2010). In third-party certification systems, this verification of compliance with standards is enacted through two distinct sets of activities performed by different employees of the certification body: an inspector who visits the site of a licensee to assess and report on the operations of the licensee, and an office-based certification officer who reviews the inspection report and supporting paperwork before issuing a certificate of conformity and who also maintains the relationship with the licensee throughout the year.<sup>4</sup>

As there is a space between codified standards and practice (Timmermans and Epstein, 2010), the everyday activities of inspectors and certification officers therefore are to interpret actual farming practices in the context of the standards, i.e. the extent to which practices are allowed according to the codified standards. But also, they interpret the standards in the context of possible practice, i.e. the extent to which the rules codified by the standards can be practically enacted by an individual licensee. Thus, the practices of certifying licensees are aimed at opening the black box of how food is produced by a given licensee to assess compliance with relevant standards. They generate knowledge on the basis of which a decision can be taken about the status of the operations of a licensee with regard to the organic standards. While the processes of generating this knowledge are routinized, the content of the knowledge object created by these processes changes for each licensee: as a Certification Officer explained to me during an interview, each licensee presents a unique case that needs to be assessed in its own context vis-à-vis the standards:

‘Yes, there has to be a pretty good human element in the certification process because each farm is different. There are so many different scenarios,

and when I first started here I almost thought that book, those standards were just way too big, you don't have to be here very long to realize actually it's not anywhere near big enough. There's a lot of judgments you take as a certification officer to balance the licensee's needs against the needs of the standards. So it's quite an important role in that respect, there's quite a lot of responsibility there. Going through things like management plans, what you will allow, what you don't allow; how can you move forward to get to a situation maybe where, if something is not quite right, how do you make some progress to make sure it does fit into the standards. That's what makes this job really interesting, actually' (Certification Officer Christopher).<sup>5</sup>

'Solving the problems' (Author).

'Yes, and everyone is different. It's very rare you get two things the same. Which is why those standards will never cater for everything because it's just not possible' (Christopher).

Put differently, the object of the certification process is the set of agricultural systems, activities, material artefacts and knowledge that is mobilized by a licensee in a specific context to produce food (or farmed commodities) according to the organic standards: its configuration is different for each and every licensee.

Some elements of this knowledge object can be assessed by looking at the organization and condition of material entities (e.g. fields, livestock, crops) – their state reveals some aspects of the social and material trajectories through which they were constituted, and therefore about how organic standards are enacted. But many elements are black boxes in themselves: their content is not directly accessible and transparent. Namely, the practices through which the standards are enacted are temporally (and in many cases spatially) distributed. Furthermore, elements of 'organic' practice are also socially distributed: professionals such as agronomic experts, vets and contractors carry out specialized activities on site. Therefore, many aspects of how a licensee enacts organic standards are made visible through representations of systems, activities, material movements and transformations, and knowledge. For example, by describing material movements and transformations, a document trail makes those materials traceable, which is one way in which the integrity of the organic system is maintained. The representative function of records and documents is therefore also performative:<sup>6</sup> their presence is required in order for 'organic' practice to exist, i.e. their existence is as important as the trajectory that their content describes.

Besides these representations and embodied traces of enactments, inspectors create another piece of the knowledge object when composing a report. This draws together a number of elements as it provides information about all the agricultural systems through which the licensee is enacting the organic standards. For each system, the entries describe different aspects of practice in the context of the standards – a particular way of doing is either 'to standard' or is non-compliant in one of three degrees, at which point details of the non-compliance are provided and framed by the standards. However, while the report is intended to represent a verified and accurate depiction of the practices on a site, many elements are in fact inaccessible to an inspector. As one Technical Manager explained during an interview, there are numerous practical challenges to obtain the appropriate information. He gave the following example about the limitations of available data for a simple record check:

'As an example... there's a limited amount of information you can gain from [grazing records] because you might have 10 fields with all the gates open and [the animals] might just have free rein, which doesn't tell you anything; or in fact you might divide it up into 10 and have 10 fields and you get all these complicated records when they're actually not really telling you much and the farmer has to fill all this in for the sake of it' (Technical Manager Tom).

Furthermore, the scope of the report is limited by temporal, spatial, technological and resource constraints and therefore only a few elements of practice are traced per inspection. Thus, the inspection report constitutes a partial representation of the farm that is dependent on the items chosen by the inspector to trace their trajectories, and by the material entities that were observed *and that triggered questions about their history*. As such, the object of the certification process cannot be revealed in its entirety. Inspectors and certification officers have to make do with a limited amount of information to determine how to proceed, raising questions and then trying to resolve what the answers might have been. The following extract from my field notes shows an example of the typical unfolding of a case where the inspection report contained too little information to proceed:

'While reviewing a report, Certification Officer Colin noticed two strange entries: first, the inspector mentioned the use of a broad vaccination programme (the Soil Association standards prefer no interventions or targeted vaccines). Colin did not find any record of the licensee asking for permission in the communication history, and there was no reference to the use in the latest version of the Livestock Management Plan either. Therefore, he thought that this probably would be a missed major non-compliance. But before raising this he contacted the licensee to see on what basis the treatment was given (in previous years the treatment was not given so he did not suspect that the licensee had continued conventional treatments after conversion to organic production). The second point entry indicated that 'a few ewes' had died due to a disease. As this is a welfare issue Colin wanted to have specific numbers and know whether the deaths had all occurred together or spread over the year. He contacted both the inspector and the licensee to discuss these points, and found out that the loss of ewes and the vaccination programme were related to the same problem: this licensee owns several farms, and livestock is rotated annually to avoid the build-up of worms in the fields. Over the past year, the sheep had been housed on a markedly dirtier field compared to the other sites. To protect the sheep against some microbial diseases present in the soil the farmer had used a multi-acting vaccination. Colin decided that the vaccinations were acceptable under these conditions. But he delved deeper into the issue as the licensee had given these vaccinations without asking prior permission, which normally would constitute a minor non-compliance. He discovered that in a much older version of the livestock management plan the use of this particular vaccine had been approved because of this particular site. Over the past four years the treatment was not necessary and therefore was not included in newer versions of the plan. On this basis Colin did not raise this as a missed non-compliance.'

This example illustrates that assessing a specific practice on this licensee's farm prompted by an entry in a report is routine for certification officers: every report contains at least a few instances where they need to probe deeper before being able to conclude that a licensee may be (re-)certified.

The representations and traces show specific aspects of the object, but they never reveal the object in all of its details; the black box never becomes transparent. This suggests that there is a systemic absence of knowledge within the certification process, as there are always more things to probe, more documents to see, more questions to ask and more details to report.

To conceptualize this potential for continual unfolding of the knowledge object, I draw on the notion of epistemic objects in 'knowledge-creating and -validating practice or "epistemic practice"' (Knorr Cetina, 2001, p. 176).<sup>7</sup> Building on Rheinberger (1997) and Heidegger (1962), Knorr Cetina developed this concept of practice out of the observation that scientific and expert practice cannot be captured by conceptualizations of practice as skill or routine. In performative practice objects are indistinguishable elements of a routine – they become 'ready-to-hand' and transparent while they are mobilized in practice (analogous to Latour's black boxes). But in epistemic practice, the object is no longer invisible; rather, it is being investigated, explored, probed. Therefore, epistemic practice is characterized by a dissociation of subject and object, held together by the relationship between the two. This relationship is shaped by the characteristics of the epistemic object: epistemic objects contain a 'lack in completeness of being' and therefore have the capacity of unfolding indefinitely:

'They are more like open drawers filled with folders extending indefinitely into the depth of a dark closet. Since epistemic objects are always in the process of being materially defined, they continually acquire new properties and change the ones they have. But this also means that objects of knowledge can never be fully attained, that they are, if you wish, never quite themselves. What we encounter in the research process are representations or stand-ins for a more basic lack of object' (Knorr Cetina, 2001, p. 181)

Knorr Cetina suggests that although epistemic objects exist in a variety of instantiations (representations and material realizations), they simultaneously constitute unfolding, temporal structures of absences. The instantiations are always partial and provide suggestions for further unfolding. Scientists and experts involved in knowledge centred activities act on the lack of a partial epistemic object by unfolding it, which leads to another partial object that presents a different lack on which the experts can act again, and so on.

Like epistemic objects, the object of the certification process is not directly accessible but can only be described by partial instantiations that fail to render it in its entirety – and with each instantiation the object changes. They display a systemic absence of knowledge that warrants further investigation; especially the inspection report constitutes a multilayered, partial object that frequently prompts a chain of questioning on behalf of the certification officer, which could, in principle, go on indefinitely. On the other hand, many of the instantiations of the object of the certification process do not 'explode' into equally complex subsystems – their answers bring specific elements of the object in focus and complete the query. Only some

elements prompt further questioning: these elements render the knowledge object partially epistemic.

While Knorr Cetina developed her conception of epistemic practice in the context of scientific research, she suggests that it may become relevant to object-centred practice outside scientific and expert knowledge contexts. Building on the concept of an epistemic object, Miettinen and Virkkunen (2005, p. 438) argue that a practice 'can be made into an object of enquiry in order to produce novel and alternative ways of acting'. According to them, a practice becomes an epistemic object – at least temporarily – when an actor analyses it with the purpose of improving it. At the time where the actor (e.g. a manager analysing ways of assembling) starts this process, the object is open-ended as the outcome cannot be foreseen. The knowledge-centred work of certification officers and inspectors routinely turns the sets of practices into an epistemic object: the black box of each licensee's enactment of standards needs to be opened to verify compliance. This means that for short timespans the procedural routines of inspectors and certification officers are punctuated by epistemic processes to resolve lacks in the knowledge object to the extent that practically a decision can be taken to (re-)certify a licensee.

This suggests that the object of the certification process always has epistemic properties, but these are only investigated at set times and within specific time and resource constraints. The epistemic qualities of the object are actively curtailed at the stage where sufficient knowledge is available for a practical decision to be taken. This is different from scientific practice, which, according to Knorr Cetina (1999), is constrained by social, political, economic and technological dimensions but which is not terminated. While in practice the object of the certification process could, theoretically, remain epistemic indefinitely, time and resource constraints dictate that at some point it is enough; in very practical terms the object has unfolded to the extent that there is sufficient information to conclude that an enactment falls within the standards, or that a practice needs to be reconfigured. The following extract of my field notes shows how non-compliance unfolds to result in practical action:

'Christopher found a remark in a report drawn up in spring that a licensee had some welfare issues and that a follow-up inspection would be required after the licensee had sought veterinary advice. In a different place in the report he found that the livestock in question suffered from two types of parasites associated with outdoor grazing. As the inspection was carried out just before the herd was about to go out into the fields, Christopher found it strange that these problems had not been dealt with over the winter. Looking in detail at the livestock management plan, he found that it did not include any details of how the parasites were dealt with. Also, checking the communication history for the licensee showed that he had not received the required requests for approval prior to application. From the report, the limited information in the plan and the absence of listed veterinary treatments, Christopher inferred that something went wrong in how the animals were looked after and prepared a case for the Certification Committee to decide what level of non-compliance this would be and how this would need to be resolved. Subsequently, the Certification Committee recommended an immediate spot inspection that confirmed this as a major non-compliance that had been missed by the inspector. The licensee received a warning and had to submit a revised livestock management

plan that showed preventative measures; during next year's inspection this would be scrutinized.

As this example shows, the unfolding goes on until it is possible to decide whether or not a licensee's operations are compliant. In this instance the unfolding leads the certification officer to refer the case to the certification committee, which in turn determines the sanctions – a caution and an additional inspection regime.

To accommodate the active termination of the epistemic practice in the certification process, the structure of unfolding is constrained in its directionality, and interrupted instead of being continued. The mutuality of the relationship between the subject and object suggests that this interruption can stem from the object as much as from the subject. Namely, the subject (certification officer, inspector, scientist, expert) can stop acting on the incompleteness of the partial object – for instance, when inferring from other partial instantiations that unfolding the object is not likely to provide a substantially different instantiation (enactment) of the practice. Or the object ceases to be epistemic as it has yielded an answer that is sufficient – it has reverted back to a technical entity that is ready-to-hand and transparent, invisible in the performance of a packaged routine procedure (Knorr Cetina, 2001).

### **Managing Uncertainty in the Certification Process**

As suggested above, in the certification process many of the aspects of its object are simply not accessible to inspectors and certification officers. The temporal, spatial and social distribution of elements of organic practice, combined with the time and resource constraints of the officers, excludes many aspects that could warrant investigation if they were not hidden or beyond resource boundaries. To address this lack of the overall object, the system of certifying licensees is built on the assumption that at least for certain elements of practice (e.g. the traceability of materials and livestock) the unfolding of one empirical case is sufficient to represent the way in which a licensee enacts an element of doing organic. The investigated case comes to represent a particular system of organizing practice. This assumption, then, provides at least one mechanism through which certification officers and inspectors can stop acting on the incompleteness of the overall object: unknowns are inferred from the elements that are available.

Capturing the (administrative) system of a licensee therefore involves an assessment of the extent to which an audit case relates to an entire system. Inspectors and certification officers need to let the chosen case unfold to reveal whether or not there is a system, e.g. by concluding from documents that it is in place, or by tracing the trajectories of materials. As one Certification Officer explained during one of my observations, this can be helped by strategically choosing the (not so) random case through which to investigate the system:

'You pick something completely at random, me as an inspector I look through and see what other inspectors have looked at in the past, see what could be potentially areas of risk to integrity and I choose something. So, for example if previous reports have been about bedding levels not been very good or something about animal welfare, I would do an audit on straw purchases, things like that. So, I think it's a really good test of the licensee's system' (Certification Officer Christopher).

Christopher's remark suggests that the audit tests the entire system of producing organically, i.e. not only the administrative system but all of the instantiations through which a licensee enacts organic. This suggests that opening one black box (a specific aspect of administrative practice relating to traceability) acts as a lens on all Latourian black boxes that are assembled in the entire farm system.

However, there is a substantial element of chance in this as not all cases relate to the presence or absence of a system through which the administrative element of organic practice is organized. This can be illustrated by describing the three non-compliances found by the inspector during the inspection I observed. These non-compliances are all administrative, and show different aspects of the relation between case and the assumed system:

- '1. During an audit on the organic status for a delivery of organic grain, the SACL inspector (James) found that the supplier did not provide this licensee with a copy of his certificate with the delivery. The licensee did not have a system in place to ensure that this paperwork was obtained, but this is unlikely to emerge as most suppliers would automatically include a copy of their certificate with a shipment.
2. The production record of a seed mix that was audited missed an entry for which official Ministry-controlled numbered labels were tagged to the bags. The records for the preceding and following batches had completed entries indicating that 100 labels were not recorded, which matched the number of bags of the mix that were produced. James noted which numbers were missing and then went back to the stock in the warehouse to verify that some of the missing numbers were on a sample of the bags. James inferred that this was a matter of oversight rather than a systemic problem – from additional documents he concluded that there was a system in place that usually enacts organic in accordance with the standards.
3. James carried out a traceability check on a randomly picked ingredient of the audited mix. He found that the lot was physically delivered on a different date than what was entered on the Purchase Goods Received (PGR) form. The licensee explained that this particular ingredient came from New Zealand, which meant that it would have been paid in advance (goods from any other country would be paid on arrival) and that therefore all the paperwork was done manually rather than through an automated system. This suggests that there is a possibility for anomalies that may remain hidden (if James had chosen a different product this would not have emerged).'

These examples suggest that the assumption that a check on one or two items is representative of the rigour of the systems that a licensee has in place to account for organic production creates a tension for the officers: they should acquire sufficient knowledge of the systems through which a licensee organizes organic practice in order to certify, but this can never be complete. The absence of systems may remain hidden, or their presence may remain obscured; precisely what the opened black box shows about all of the other elements of the farm system cannot be identified for sure. Thus, the unfolding of some audits provides the basis for the decision to (re-)certify, but the absence of attainable knowledge constitutes an inherent uncertainty whether a licensee's practices are compliant.

Yet, this uncertainty should not lead to paralysis of the certification process or to arbitrary decision-making. Rather, the process must be managed so that practical decisions can be taken – decisions that ideally should be independent from who inspected or who certified, and that can be upheld under scrutiny of how they were reached (Hatanaka and Busch, 2008). Thus, while the uncertainty cannot be resolved, the epistemic elements of practice are embedded in and managed through procedural routines. But the procedural routines define not so much what should be unfolded in what manner, but shape the overall certification process so that the uncertainty cannot lead to arbitrariness in how decisions are made. As one of the Technical Managers explained during an interview, they standardize the process through which these decisions are taken:

‘The majority of our procedures, to be honest, refer to the standards only as the standards. They’re not how we will comply with the standards. Because the standards are what the operators must do, we... our standards are derived, if you like, from EN 45011<sup>8</sup> and our requirements to be accredited to certify to them rather than from the standards themselves. So, the how we do things, what we do, rather than how we interpret or whatever the standards, there’s very little standards interpretation stuff within the quality system’ (Technical Manager Theo).

So rather than prescribing how to interpret farming practice in the light of organic standards, the procedures that govern certification practice script (Akrich, 1992) the process of unfolding by specifying which elements need to be unfolded through empirical cases. This script is crucial for accreditation according to the EN 45011 standards: this requirement stems from the EU regulation governing the production of organic food (Council Regulation (EC) 834/2007, OJ L 189, 20 July 2007, pp. 1–23) to ensure that the certification of licensees is done in accordance with the organic standards and in a harmonized way. Accreditation is based on the systems that are in place to ensure that the certification process is performed in a consistent manner in accordance with standard EN 45011 (CEN, 1998). This means that the processes through which SACL organizes the certification process are instantiations of a different standardization process, resulting in a ‘nested’ set of standards (Lampland and Star, 2009, p. 5). Analogous to how instantiations in organic farming are both representative and performative, these processes organize the certification process and simultaneously enact a specific way of ‘doing’ certification – as specified in standard EN 45011. The epistemic unfolding of items is, in this context, performative too: the traces of the unfolding (as recorded in the administrative system) show that the unfolding took place and therefore that licensees’ practices were investigated, and the extent to which this was done.

The procedures set out how inspectors and certification officers are controlled and how their performance is assessed, how activities are verified, how knowledge is codified, etc. Some of these mechanisms, such as the recording of all communications and documents, make available the details of each licensee so that any queries or problems can be picked up by any officer. Other elements, such as the quality assessments, coordinate how officers go about certifying licensees – not in the sense of prescribing how an inspection should be conducted or how a report should be done, but by controlling the outcomes of the activities that were performed. In principle, this should remove the potential for preferential treatment of licensees, as the outcomes should be similar no matter which inspector or officer dealt with a licensee.

### Coordinating Interpretations of Standards

While the enactment of different mechanisms of control organizes the certification process so that it becomes auditable itself, this does not address the inherent uncertainty in the certification process: rather, it organizes how the *accessible* elements of organic practice are assessed. But as another Technical Manager explained during an interview, the impact of this uncertainty that emerges from the epistemic object can be minimized in the context of the standardized certification process by coordinating how standards are interpreted: ‘it can be very easy to have a basic standard and then suddenly it just goes “pouf” and it just becomes a huge mass of interpretation “what about this, what about that, what about this, what about that”’ (Technical Manager Tom).

Subsequently, Tom explained that dealing with this explosion of possible interpretations requires the coordination of interpretations to direct how inspectors and certification officers relate to and certify licensees – this establishes locally a degree of universality (Timmermans and Berg, 1997) in how farming practice is assessed. The most prominent coordinating mechanism is the certification committee, made up of senior SACL employees; its role is to authoritatively resolve any problems that have arisen during the certification process of individual licensees.<sup>9</sup> Each separate case presented to the committee is at or beyond the boundaries of the standards: some are about requests by licensees to temporarily allow products or practices that are ordinarily not permitted by the standards. Others are about inspection findings where licensees overstepped the boundaries of the standards in such a way that the organic status of their products is compromised. Finally, some are about how SACL employees should interpret certain standards to assess the compliance of practices, or about practices for which there are no explicit standards. For each of these cases, the committee decides, in very practical terms and by drawing on diverse sources and expertise, how these issues are to be resolved. These decisions have direct consequences for licensees as they include disciplinary sanctions for serious non-compliances, and for licensees and SACL officers as they provide binding guidance for how specific standards should be interpreted. For example, an extract from my field notes shows the epistemic unfolding that is coordinated by the Certification Committee:

‘A standards amendment in 2009 caused some confusion about the requirements for lambs born on a farm converting to organic production. Previous standards required sheep to be kept to full organic standards from the moment they mated for their offspring to have organic status, which included being kept on organic land. To accommodate farmers in conversion, the amendment was introduced to allow the mating to take place on land in conversion rather than on organic land. However, the way in which the amendment was written was ambiguous, leaving open the status of the land onto which the lambs would need to be born so that they would have organic status – it was unclear whether the land would need to be organic or could be in conversion. The committee agenda item for this issue set out the issue and the three options that could apply, and raised the question about which option would be a valid interpretation. The recorded decision on this is clear that the ‘requirements for sheep and lamb production should be consistent with other livestock categories’, and therefore the committee states which of the three options applies (ewes can be mated and lambs can be born on land in the second year of conversion).’

This example shows that such decisions typically have consequences beyond the current case as in any subsequent case the decision informs how inspectors and certification officers will decide those cases. But the decision does more than that: the choice of one of the three specified options reduces the way in which a practice can be assessed. The descriptions of the three options contain pointers about what would be critical in assessing compliance. In this case, the deciding factor is the status of the land onto which the lambs are born and reared. From this decision onwards, inspectors and certification officers carrying out a verification of the organic status of lambs needed to consider the land status (amongst other things). Put differently, codified interpretations define trajectories of unfolding. Unlike in scientific practice, where unfolding can result in a lateral or angular branching off of lines of inquiry (Knorr Cetina, 2001), certification practice is directed through descriptions of acceptable ways of enacting standards in organic farming practice. These descriptions script (akin to a protocol; Timmermans and Berg, 2003) for individual cases what needs to be done to reduce the uncertainty of assessing how an element of organic farming is enacted.

This means that each case presents a defining moment, not only for the way in which the licensee in question enacts organic standards, but also for the certification organization and indeed organic standards themselves. Consequently, the committee is central to the certification process as it provides the space in which boundaries of organic standards are contested in relation to practice. With each case, the formalized interpretations define explicitly some of the specific points that need to be verified to assess compliance. With each interpretation, standards are rewritten to reflect the extent to which the rules codified by the standards can be enacted practically by licensees – and how traces of these practices need to be unfolded.

It is important to note that these interpretations are based on specific, local cases, i.e. they embody local knowledge that is made mobile (Turnbull, 2000). In certification practice, mobilizing such knowledge occurs through a process of accumulation: all cases are recorded in a database that can be searched by SACL employees to inform how other licensees' cases may be dealt with. Moreover, sometimes the way in which the committee decides to resolve an issue results in the formalization of a precedent that explicitly informs employees how subsequent cases should be resolved.<sup>10</sup> The following extract from my field notes illustrates how locally bound knowledge is mobilized in the assessment of a given case:

'One of Certification Officer Claire's licensees produced organic turkeys for Christmas and Easter. This licensee had had many recurring non-compliances over its history, but each year the licensee contracted different farms to do the rearing for them and the management of the licensee had changed frequently over the last three years, leading to a problem of continuity in dealing with issues. To avoid issues arising in the first place, Claire had requested a detailed livestock management plan before the production for Christmas 2009 as she wanted to be "extra, extra careful with going through everything in terms of the management plans and everything". The plan went through a number of iterations, but even the third version raised eight questions, two of which could be resolved by permission from the Certification Committee. In composing an agenda item for the committee outlining the issues, Claire searched the database of committee decisions and a register of precedents for similar cases where the committee had already decided on an interpretation that could inform how these cases could be

decided. The first item concerned the extent of range available to the birds within 50 m. of a fixed barn, and Claire found a number of previous decisions where the committee had already decided on an interpretation that could inform how this case could be decided. She attached those to the agenda item, and added her recommendation to allow the limited space for the current production only. For the second item, which concerned the amount of time some of the birds would have access to the range before slaughter, she found no suitable items. As such, the committee had to assess how the standards could be interpreted, and on what basis permission might be given to allow this to happen.'

The example of Claire's questioning illustrates how the involvement of the Certification Committee results in other elements becoming part of an object by drawing on previous committee decisions, cases from the precedent register and official standards interpretations. This knowledge is not made available to the licensee in question and therefore does not explicitly script a protocol (Akrich, 1992; Timmermans and Berg, 2003) for the licensee to follow, but it does shape how the licensee will enact organic standards as the Certification Committee decides (in part) on this knowledge what will be appropriate measures for the licensee to implement. Hence, this knowledge helps shape the way in which standards will be enacted by connecting the context and conditions of the current licensee to those of other licensees, or by questioning how certain contexts and conditions relate to organic standards (if there is no reference to previous cases). In fact, through this mechanism the enactments of different licensees become connected across space and time (Lampland and Star, 2009) as the objects of different licensees become embedded in the object of another licensee. Put differently, the coordination of interpretations extends beyond the office of the certification body to farming practice.

### **Discussion and Conclusion**

The findings presented here suggest that certification practice navigates the space between codified standards and farming practice through a knowledge object. I have argued that the configuration of this object is specific for each licensee, but that it is impossible to reveal it entirely – it has partial epistemic qualities. The conceptualization of object-centred practice (Knorr Cetina, 2001) has been useful to analyse how certifying licensees is based on a chain of unfolding using partial representations of the knowledge object. I suggested that there is a systemic absence of knowledge within the certification process, and showed some of the practical strategies employed by SACL to reduce and contain the inherent uncertainty of certifying practice. These strategies result in a process that is recursively standardized (Hatanaka and Busch, 2008) and in which organic standards are continuously rewritten through the coordination of interpretations of local enactments of those standards. I argued that how these interpretations are mobilized shapes organic farming practice and certification practice.

Based on these findings, it is clear that what certification officers and inspectors do in their everyday activities of certifying licensees raises some important points about how 'sustainability' criteria of food and farmed commodities are enacted through the use of voluntary standards and their certification.

First, the findings add to analyses of third-party certification (e.g. Hatanaka et al., 2005; Busch and Loconto, 2010) by illustrating how these processes enable the circulation of farming practices of different licensees. The enactments of licensees become connected through the mobilization of knowledge objects in certification practice. While this does not necessarily mean that the enactments of the standards by different licensees become uniform (Timmermans and Berg, 2003), this does imply that certain aspects of farming practice become standardized. In fact, the uniformities across time and space constructed through standards (Timmermans and Epstein, 2010, p. 71) are formalized – and therefore strengthened – through certification.

Second, with standards always incomplete and overdetermined *at the same time* (Timmermans and Epstein, 2010), finding interpretations and tinkering with the rules (Star and Lampland, 2009) are essential parts of making standards work. Indeed, as Jasanoff (1998, p. 180) argues, discretionary space is co-constituted with the presence of rules: ‘The unruliness of the real world creates discretionary space for individuals or institutions to exert their tacit knowledge and subjective moral sensibilities’. But as the findings show, the discretionary space to do so is no longer available to farmers in the case of third-party certification: they cannot decide how to interpret or deviate from a standard. Instead, the space has shifted to certification officers and the certification committee. The analysis of the everyday activities of and the practical strategies employed in certification practice shows that this discretionary space is highly formalised and documented in response to the inherent uncertainty of certification. Granted discretion is recorded so that justifications are retained for future reference, and these records enable the circulation of local knowledge (Turnbull, 2000) to inform future discretions. In fact, this space is placed outside of the practices to which discretion is applied: any consideration for discretion must be referred to an actor who is external to the context in which a standard is enacted. Inspectors and certification officers therefore are not mere external observers trying to reveal how a licensee enacts organic standards. Due to their activities of producing an instantiation of and subsequent questioning of the object, they – and the Certification Committee – are active participants in shaping the object and consequently how a standard is enacted by a licensee. These points suggest that Hatanaka and Busch’s (2008) challenge to the claims of operational independence of certification bodies must be extended to include the practicalities of certifying licensees.

Finally, as shown by this example of certification practice, ‘sustainability’ standards are not only written by the standard setter, but continually rewritten in the certification process. As such, they are alive (Berg, 1996): with each new interpretation by a certification body and with each new instantiation as enacted by a farmer they subtly change and reconfigure how a particular form of farming is and can be enacted. This is in line with accounts of how single actors enact standards in local settings (e.g. Timmermans and Berg, 1997; Lampland and Star, 2009). But the current argument extends these accounts by showing that this reproduction is clearly an accomplishment of different actors. Inspectors and certification officers unfold, delineate and make explicit the practical meaning of the standards in relation to how licensees practise farming for each single relevant activity or set of activities; the certification committee resolves contested boundaries by establishing interpretations; and the mobilization of local, context-specific knowledge (both internally and externally) through certification practice standardizes certain aspects of the certification process as well as farming practice.

In fact, the reproduction of ‘sustainability’ standards is necessarily distributed due to the specific practices that constitute them and that are performed by different actors: farming in particular ways, inspecting and certifying licensees, coordinating knowledge, setting standards, trading produce, etc. As shown in this article, in this ‘web of practices’ certification is not mere observation: the continuous rewriting of the standards in the certification process results in the reconfiguration of particular aspects of local, socio-material practices and therefore constitutes an active shaping of how ‘sustainability’ standards are enacted in farming practice.

## Notes

1. There are other forms of certification involving different actors, but they are irrelevant to the current discussion. For ease of reading, I use the simplified term ‘certification’ to denote third-party certification in the context of standards aimed at more sustainable food production.
2. Due to specific historical processes, organic certification in the UK is characterized by a market-based approach to certification. In total there are currently seven bodies operational: four national bodies (with one body offering two types of scheme) and three regional schemes (for Wales, Scotland and Ireland). SACL is one of the four nationally operating certification bodies in the UK, and is a wholly owned subsidiary of the Soil Association.
3. Usually, Technical Managers have had a long career as certification officers/ managers and are qualified inspectors. They support the certification process by coordinating interpretations with internal and external parties, and developing tools to assess farm conditions and to manage risk.
4. In fact, the person carrying out the inspection is not allowed by law to decide whether the inspected licensee is (re-)certified to avoid conflicts of interest or the possibility of coercion towards certification (CEN, 1998, clause 4.2.f). Moreover, as familiarity with the circumstances of individual licensees might colour the reporting of an inspector, inspectors are only allowed to inspect the same licensee three times in a row, after which another inspector will take over the inspections.
5. All names have been changed to protect confidentiality.
6. In this article, the adjective performative relates to material performance, and has no relation to discursive performativity.
7. Knorr Cetina also uses the terms object-oriented or objectual practice.
8. EN45011 is a standard for certification processes that all certification bodies operating in Europe need to be accredited against.
9. Other mechanisms include coordination of interpretation between different certification bodies, and tools for managing risk in the certification process.
10. When a specific issue has come up several times indicating that the standards are difficult or impossible to implement, the committee suggests a change to the standard setter.

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# **The Negotiation of Quality Standards: A Social Interactionist Approach to Fruit and Vegetable Distribution in Argentina**

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**Abstract.** This article addresses food quality standards. It suggests that writing on standards creates a flat view of the subject, failing to grasp the richness of the multiple self-organizing practices that shape quality within functioning markets. The article documents the social dimension of quality and the ‘quality strategies’ developed by fresh-food wholesalers, greengrocers and producers in the Buenos Aires Wholesale Central Market, Argentina. These strategies assemble the fresh-food market and construct a representation of quality as an aspect of trade in places where food exchanges are conducted. Using a social interactionist approach, we propose that attention needs to be given to the settings in which food quality standards are negotiated and used by different actors. In so doing we suggest that studies that focus on the diffusion of ‘global’ quality standards should not omit consideration of differential responses to these standards, even if the conditions appear relatively homogeneous.

## **Introduction**

This article focuses on the contribution that ethnographic observation and human practices in markets can make to our understanding of global food standards.<sup>1</sup> Our intention is not to add further to a theory on standards, but rather we want to argue that writing on food standards typically presents a one-dimensional view of the subject, failing to grasp the richness of the multiple self-organizing practices that shape quality within local contexts.

Studies that draw attention to the significance of the enforcement and implementation of quality standards as a governance device for food typically portray added-value food chains as centralized and integrated. In contrast we propose a social interactionist approach to markets; it emphasizes the meanings and negotiations conferred on notions of quality by different social actors presenting us with multilevel negotiations that conspire around notions of quality and standards. These

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negotiations are part of the nature of situated processes that connect issues of quality within the supply and demand of food.

In the following discussion we argue that despite the prevalence of global institutional codes and standards, consensus over local food quality is embedded within sets of situated social interactions. These interactions are associated with an arena in which negotiations over quality standards take place between different actors. To illustrate this approach, we present three cases of how quality practices are enacted through retailing practices within the Buenos Aires Wholesale Central Market (BAWCM). These cases demonstrate how an understanding of the importance of quality in developing market strategies by food service providers reveals the social aspects of quality in the organization of real market interactions. Building on these cases, our article seeks to capture how retailers use quality to manage the ever-increasing segmentation of the BAWCM.

The BAWCM is situated in a metropolitan area called Gran Buenos Aires, strategically located 12 km from downtown Buenos Aires, near Ezeiza International Airport and Río de La Plata Port. It is important for fruit and vegetable distribution in Argentina, supplying more than 11 million consumers (33% of the total Argentinean population) and receiving approximately 13 000 trucks per week from production areas both within and outside the country. The volume of fresh fruit and vegetable commercialized at this marketplace is 1 500 000 tons a year (Fernandez Lozano, 2008), significantly more than its original model, Rungis in Paris, which commercializes 960 000 tons a year (Semmaris, 2009).

Our research in the BAWCM began by asking how situated practices and local procedures encounter global standards. The method used for this study draws on an interpretative approach of new materialities folding and unfolding through the contemporary expansion of food worlds (Morgan et al., 2006). Everyday practices are taken into account through participant observation (Arce and Long, 2010), which sought to capture the practices carried out by greengrocers, wholesalers and producers in relatively bounded social and economic events, such as commercial interactions and explanations about produce qualities and values. This fieldwork was conducted in the BAWCM from February to May 2008. Buyers' and sellers' narratives allowed us to follow the self-imaging and self-narrativizing of quality and safety of food construction from actors' perspectives. This methodology leads us to use ethnographic illustration to validate our discussion.

In the following sections we develop our theoretical perspective through a discussion of interconnected issues concerning the centrality of quality in understanding 'real markets' like the BAWCM.

### **Approaching Quality and Quality Standards**

The Oxford English Dictionary<sup>2</sup> defines quality as a degree of excellence of something measured against other similar things; different attributes make something what it is. In the case of food, these attributes include parameters linked to health safety, nutrition, sensory/organoleptic characteristics (taste, colour, freshness, appearance, smell), process (traceability, biotechnology, organic) and extrinsic factors (price, brand, or advertising) (Noelke and Caswell, 2000; Sterns et al., 2001). Food quality is assembled through time (seasonality) and space (geographical origin). This broad definition of quality is used by international bodies such as Codex Alimentarius (FAO, 2006).

Consumer awareness of food risk has added impetus to quality concerns (Henson and Caswell, 1999; Miles and Frewer, 2001; Henson and Reardon, 2005), and the apparent reduction of quality in modern food has generated a significant body of critical research in Western countries that focuses on the growth of alternative agri-food networks (e.g. Murdoch et al., 2000; Goodman, 2003). As consumer reaction to industrialized food circuits has increased, fears over contamination have risen, as have concerns over social justice and environmental sustainability (Kloppenborg et al., 2000; Allen et al., 2003; Trauger, 2007). Convenience products may imply industrial and chemical food processing accompanied by negative impacts on the environment (Renard, 1999). However, consumers also buy convenience products (frozen, canned, or cut vegetables and ready-to-eat meals) in supermarkets with little or no idea about the products' origins (Busch, 2004). Thus, quality is a fluid and socially constructed conception that is created and recreated through the discourses and actions of actors (Marsden and Arce, 1995; Morris and Young, 2000). Social aspects related to quality in food have an important role in defining new criteria for organizing food production, distribution and consumption.

The introduction of the notion of quality is credited to the economist Lancaster (1966), who asserted that products consist of a bundle of attributes. According to Lancaster, a product's utility is derived from the attributes it holds as part of its content (Sterns et al., 2001). However, this view of quality has long been supplemented (Marsden and Arce, 1995; Noelke and Caswell, 2000) with the argument that social actors have their own perceptions of quality according to the nature of their social and environmental (natural) embeddedness (Ilbery and Kneafsey, 2000; Goodman, 2003). Thus, quality is partially constituted by the ways in which actors and their social networks categorize, code, process and impute a bundle of attributes to food products.

For those authors working on alternative agri-food networks connected to the analysis of contemporary food supply chains, emphasis is placed on reconnecting contemporary food with social relations and ecological environments – nature (Murdoch et al., 2000; O'Hara and Stagl, 2001; King, 2008). Attention given to quality standards after their creation usually takes the form of a general reflective effort to account for the failures or successes of the alternative food networks of particular producers. Surprisingly little attention is paid to how the quality economy is established in markets (Viteri, 2010).

One exception to this pattern is the work of Karpik (1989), who points to the existence of a quality economy involving the exchange of differentiated products. His work demonstrates the importance of considering how some social networks have the capacity to intervene in the definition of a situation to determine the 'quality price' of a product or service. In our cases, social interactions between different retailers give rise to networks that exchange and diffuse information, not only on the price of products but also on who the actors are and who sets the price. This process guides receivers of information about quality price with regard to the existing supply and demand of fresh products, and this leads in turn to the development of a new price allocation based on social information. Following this line of argument, the quality of food in a wholesale market may be assessed by means of how the social networks of different actors attribute value to food products through the certainty of face-to-face transactions. Alongside accord and agreement, this may involve claims, grievance processes, and counterclaims.

The notion of quality is associated with an uncertain materiality of the product that must be grappled with by social actors in the market. This tendency has been addressed by engineering processes of standardization, through private alliances and platforms to bring different actors and interests together in order to generate 'quality certainty' within the global supply and demand of food. Thus, a standard is something considered by an authority (government or private alliance of retailers) or by general consent (consumers, culinary patrimony, producers, and a variety of food retailers) as a basis of comparison in order to establish a price. Through these governance processes, representations of an average standard requirement for quality, quantity, and grade of the product are the basis upon which price is judged to be acceptable (or not) to a community of buyers and sellers, who represent a constituency of producers and consumers.

Historically, grades and quality standards have been associated with differentiated measurement and technical methods and the reduction of transaction costs (Jones and Hudson, 1996; Caswell et al., 1998; Berdegue et al., 2005). Consequently, the implementation of standards is important as a general instrument of organization in the re-construction of 'modern' supply systems (Busch, 2000; Henson and Reardon, 2005; Hatanaka and Busch, 2008). Private standards imposed by large retailers (e.g. supermarkets) aim to facilitate the efficient coordination of global food supplies. These responses to the global circulation of food do not necessarily mean that multinational retailers get what they are trying to achieve, namely the global homogenization of food quality. In practice this may be challenging the homogenization of quality standards.

The coordination of the global food value chain (Dolan and Humphrey, 2000; Humphrey and Schmitz, 2001; Reardon et al., 2001; Gibbon, 2003) may satisfy legal and commercial global quality requirements 'everywhere'. This global organizational response to the procurement and distribution of food involves often a conscious reduction of the locally situated range of fresh produce varieties circulating in the domestic market. As an example, transnational enterprises demand that local suppliers worldwide follow international and abstract codes of conduct, production guidelines, and monitoring standards for products. These codes, guidelines, and standards exist in the imagination of global managers and in voluminous documents on standard systems, but we argue that they are not tangible within the territorial existence of food.

Global food suppliers justify international quality standards as technical devices, encouraging national food business sectors to take advantage of global market opportunities that are presented as critical determinants of contemporary economic progress. What results is the introduction of technological modernization programmes (hybrid, greenhouse, irrigation, etc.) to allow growers to produce homogeneous (colour, texture, taste, size, etc.) fruit and vegetables and abandon established practices and product varieties that are incompatible with global quality standards.

Having established global quality standards as a management response, the use of actor network approaches and conventions theory (Wilkinson, 1997; Murdoch et al., 2000; Goodman, 2003; Busch, 2007) has led to important contributions on how economic and quality processes (natural, local origin food, etc.) are embedded in different worlds of production and distribution. However, in our view the issue of quality embeddedness and how it organizes demand in specific food markets does not go far enough towards exploring the significance of the contribution made by

the content of quality settings in the supply of products to segmented markets of food demand.

### **Situating Quality Standards and Quality Setting**

Writers on global standards concur that individual normative criteria for a variety of fresh products are assembled by complex alliances of multinational food retailers companies, consumers, NGOs and national governments in novel forms of global agri-food governance. These quality standards (such as GlobalGAP) are representations of new regulatory devices associated with the global spread of private space and the increasing power of large food retailers (Campbell, 2005). It is also argued that when standards are analysed vis-à-vis the 'oligopolistic structure' of food sectors, these standards (quality and safety) make the opaque practices of the retailing sector visible and this may reduce producers' risk to access markets. However, producers' compliance with regulations does not alter their dependence or their vulnerable position when they enter the value chain of major retailers (Tennent and Lockie, 2012).

We would argue that disagreements about quality and safety standards are underpinned by weaknesses in analytical understanding about the status and representations of the market (for an exception, see Busch, 2007). Nevertheless, the proliferation of standards provides a base upon which to focus on the fragmented character of food circulation (i.e. luxury food, organic, fair trade, etc.) and the effect on processes of organizing differentiated food markets within which knowledge and skills flow unabated from production to consumption.

The potential contribution of this conceptualization is a focus on the functioning of quality in food markets. One central concern involves the treatment of actors as specific insiders to one or more spaces, civic, value chain, and/or 'real market'. This perspective challenges homogeneous representations of quality food standardization and identifies socially different aesthetics,<sup>3</sup> namely the material experience of the embeddedness of the market and how this greets the sensate life of food (embodiment) circulation and its insertion into the world of consumer demand and the affective forces that are generated in encounters between producer, retailers and consumers.

In short, quality standards may be linked to the expansion of the private space of elite alliances and food management. However, quality setting suggests that the actors participating in real markets, which in our case is a wholesale market, are active and able to construct the entanglements of market embeddedness and food embodiments as elements of the social differences of quality (aesthetics).<sup>4</sup>

Our perspective on food retailers is one of different manifestations of quality-led food. These manifestations are perpetuated despite the expansion of quality management by multinational food retailing companies and national government policies favouring private interests. In this respect, quality and safety are important normative components for novel global forms of food supply and demand management. Recognizing different manifestations of quality should prompt further inquiries into other forms of quality attribution that are not part of this universal, hierarchical and homogeneous device designed to govern food through private self-regulated requirements.

By analysing situations in food markets we gain an insight into how actors' social interactions and experiences shape quality and safety standards. The affective

experience of actors is not usually seen as an important part of agri-food quality and safety standard studies, despite the particular actor's experience on the boundaries of the material and the social embeddedness of the quality attributed to food. The interlacing of the physical experience of food (touch, feel) with the intensities of smell and colour is a register of quality that serves as a catalogue of experiences and perceptions of the sensual expression of consumers in the retail market.

Thus, values of transnational integration encapsulate a particular mode of supervision that we find expressed in the quality control standards of the food chain and food governance. In our view, this interpretation is valid, but only part of the story. By looking at the goods (here fresh fruit and vegetable) as 'objects in motion', we focus attention on the changing ways in which goods create social identities and establish historical trajectories (Appadurai, 1986) linked to livelihoods, incomes and local entrepreneurial forms of organization of food commoditization.

Whereas a process of successive qualifications and requalifications constructs the social careers of food products and social actors, active participation leads to the exchange of information and knowledge about actors themselves, the space of the market, the nature of the produce and of course the appropriate price. Actors integrate the singularity of their interactions into their own food practices and strategies. These social actors retain a degree of autonomy and decision-making separate from global tendencies towards the homogenization of quality standards. This creates a semi-autonomous field in which we observe that quality is part of the social life of food (Arce, 2009).

In brief, a social interactionist approach argues that quality and quality standards cannot be exclusively understood in terms of objective factors associated with differentiated measurement and technical methods and the reduction of transaction costs; rather, such problems are rooted in processes of negotiations between the making and growth of quality and the assembly and growth of practices servicing food to segmented consumer markets where the supply and demand of fresh food is historically and geographically produced and known (quality) as contingent practices to actors (cf. Yates-Doerr, 2012). In other words, quality comprises the practice and activities of consumer linkages and groups making assertions of grievances and claims to a multiplicity of material quality demands.

Quality regarded as part of global dislocation problematizes encounters within local markets as potential opportunities from distant markets and also to conform to certain mandatory standards. Quality issues emerge within existing food provider services: some retailers negotiate and particular producers demand that existing food services respond in new ways to global standards; other retailers assert quality as part of their particular needs to distribute food to segmented markets. Our three case illustrations have great heuristic value, each of these cases reinforces the idea that both locally established quality criteria and newly created global standards must be viewed as an arena in which different social actors attempt to impose their own quality setting to deal with the reality of the food situation.

### **Setting the Scene: The Context of Fresh Fruit and Vegetables in Argentina**

The multifarious climate of Argentina gives rise to heterogeneity in fruit and vegetable production. Different provinces have specific agro-ecological conditions; fruit in particular is associated with the identity of geographical regions (Viteri and Ghezán,

2006). Fruit and vegetables are also imported from neighbouring countries and from Europe.

Fruit and vegetable production is important for employment and trade. More than 90% of fresh vegetables is produced and sold within localized domestic markets, while 62% of fresh fruit is used in industrial activities (wine, juice, pulp, and essential oils). Overall the fresh fruit and vegetable industry contributes USD 1,800 million to national exports, representing 3.2% of the total value of Argentinean exports in 2007 (Viteri and Ghezán, 2006; INDEC, 2008).

In general, the Argentinian domestic market of fresh produce is supplied well throughout the year. In spite of the relative abundance of supply, prices vary because of temporary shortages of some fruit and vegetables associated with weather adversities and logistical problems. Buyers and sellers consider these aspects at the point of purchase.

### **Consumption of Fresh Products**

According to Aguirre (2005), growing poverty among the Argentinian population has led to a fall in the consumption of fresh fruit and vegetables. However, while poverty issues have to be recognized, we consider that other social aspects influence consumer habits. According to Fernández Lozano (2008), different forces are at play: on the one hand, Argentinians have started to appreciate the quality and nutritive value of fresh produce; on the other hand, the criterion of saving time on buying and preparing food often prevails over searching for quality. These preferences are linked to changes in consumer habits. For instance, the increased amount of time women spend outside the home due to work has reduced the time available to prepare food. This has favoured the development of a food service sector (bars, restaurants, institutional food services, and fast-food places), particularly in large urban areas.

Even though there are discontinuities in consumption according to the economic and cultural situation in Argentina, wealthy consumers continue to buy fresh cuts such as ready-to-eat salads and other minimally processed fresh fruit and vegetable products (Viteri, 2003). Argentinians still prefer to buy fresh fruit and vegetables at specialized shops rather than at supermarkets (INDEC, 1998, 2009). The reasons for this preference are the proximity of shops, quality, competitive price, freshness, and the vendor's knowledge and advice. Aulicino and Moré (2000) classify these consumers as traditional since they still buy fresh produce that requires time to buy and prepare. However, consumers today are reorganizing their practices and combine traditional and modern values within their practices, so it is not unusual for a person in Buenos Aires to purchase fresh fruit and vegetables both at a supermarket and at the nearest greengrocer.

### **Quality Setting: The Case of BAWCM**

We are keen to capture the character of the social space of the Buenos Aires fresh fruit and vegetable wholesale market in order to situate it within a wider context. The wholesale market was built in the 1970s and has been operating since 1984 with the nation state being one of the main institutions involved in its construction. According to policymakers, it was necessary to regulate the speculative activities of

wholesalers, since they used to retain a large percentage of the growers' net income (Pons, 1988). As Frigerio (1973) and Gerarduzzi (2000) point out, the creation of the BAWCM was 'politically motivated by an anti-wholesaler mentality' (see Viteri, 2010, p. 41). The idea was to bring 23 markets and warehouses under public control, where modern buildings, sanitary control, light, sewage, and easy modern access each fulfil the modernization and quality requirement of policymakers.

The space of the wholesale market represented for policymakers a modern place to distribute fresh produce according to ideas of quality and efficiency. However, as we shall demonstrate, distribution of quality through the market is materialized through action by all its users, not only policymakers. It is part of a lived-in space, where practices associated with quality and quality standards encounter global management methods. The result is a market space where knowledge and actors' practices are central to an understanding of the process of negotiation and the meaning of quality that serves to differentiate fresh produce.

### **The Interaction between Supermarkets and Wholesalers**

The arrival of foreign retailing companies transformed the distribution of fresh fruit and vegetables in Argentina (Ghezán et al., 2002). Intense competition between large retailers in the 1990s led to new commercial strategies and change in procurement procedures used to obtain fresh products. These transformations bring out how supermarkets recognize the significance of the national wholesale market sector and develop negotiation strategies. Such encounters highlight the existence of often diverse and conflicting interests between global and domestic producers and retailers, and how negotiations serve to build bridges between wholesalers and supermarkets. Some wholesalers are able to evaluate information to face global quality challenges; this allows new modes of accommodation to develop within specific networks in order to achieve specialization. Wholesalers and larger retailers – with diverse economic interests – create innovative partnerships that increase organizational food distribution options.

This situation can be illustrated through Sabino's case. The relationship between Sabino and large retailers shows different quality perceptions, which go beyond the abstract global quality code. Sellers and buyers negotiate quality according to diverse circumstances (temporal shortage, historical relations, knowledge, information, etc.). This implies heterogeneous ways of distributing fresh fruit and vegetables.

#### *Sabino's Enterprise*

Sabino is a 45-year-old Italian who owns a holding comprising five different firms. One supplies restaurants, hotels, institutional canteens, etc. The second is a vegetable association with 20 growers and packers. The third deals with transport. The fourth is a repackaging station of fresh-cut vegetables. Lastly, the fifth is the wholesale Sabino S.R.L., a firm he started in 1984 at the BAWCM.

Sabino's commercial activities represent the ways in which a wholesaler engages with supermarkets' purchasing procedures, reflecting an efficient logic for the supply of year-round consistent quality, variety and volume within the fresh fruit and vegetable chain (cf. Dolan and Humphrey, 2000). Sabino's enterprise improved its

services according to the international supermarket guidelines for quality and the reliability of distribution practices. Sabino used commercial activities to construct hands-on knowledge to bridge the wholesale market sector, official discourses and supermarkets, and, in this respect, he is an innovator in food retailing. Sabino's commercial services connected elements of what is possible in Argentina with the global logic of supermarkets, achieving a reduction of transaction costs around an emergent economy of qualities. Sabino recalled:

'During the 1990s, we used to grow according to supermarket norms of market control and expansion. Supermarkets tried to diminish their transaction costs by avoiding intermediaries. It was at this point that we started to supply them with our own production (particularly tomatoes and green, leafy vegetables). We positioned ourselves as a full-service wholesale provider to add value to quality fresh produce. We invested in facilities and logistics and started to classify products by size and quality. This saved time from the moment of harvest to the moment of selling the product in retailers' shops.'

'Supermarkets are our main customers; because of their high-volume demand they are very attractive for business. Since I wanted our products to attract customers, I started to supervise the handling of products. Thus, we trained our own personnel who used to go to different supermarkets to control "other" employees not to destroy the traceability of our fresh products and to stop them from mixing different brands and qualities. We made them aware of the quality they offered to consumers' (interview, December 2006).

This ethnographic text expresses how the wholesaler gives meaning to his experience of interacting with supermarkets. Quality is here a synonym of services, and services imply a social network of fresh product handling according to different quality modes of food and business knowledge, a practice that transformed the existing market space.

Our observations support the view that relations between Sabino and the supermarkets cut across existing configurations of production, retailing and consumption. These relations have oriented him to integrate primary production in the construction of a chain where the new social view of the sector is internalized and reworked within the specific and problematic context of supermarkets. Sabino bought a cooperative of growers in 2000/2001 and started to invest in sustainable agricultural practices. He made this business decision after observing the evolution of fresh fruit and vegetable demand in the high-income sectors in Argentina.

Sabino's insightful and interesting experience tells us of his successes and tribulations as a local innovator.

'We started our encounters with supermarkets doing the tasks required and providing a fresh shipper service, aligned with low environmental impact practices. Our vegetable chain was under strict quality control, and we wanted to show our commitment to the environment by increasing the number of quality consumers through the supply of our own fresh product brand (BIOS). However, it is difficult to link environmental and organic production practices with a quality-specific consumer category... not even a single supermarket was accepted as commercially viable to support food environmental agronomic technologies.'

'Even when entrepreneurs like me have realized the value of organic agromonic practices, I cannot deploy my market creativity because of lack of investment and I disagreed with international supermarket strategies' (interview, May 2007).

Sabino's relationship with supermarkets illustrates how only a few wholesalers were able to introduce flexibility in terms of financial organization, work practices and basic production processes oriented to consolidate their influences through processes of international integration across established national or regional food provision. In addition, Sabino wanted to take advantage of his commercial position by implementing his own brand of environment-friendly products. However, there was no room to negotiate and be supported by supermarkets. Although Sabino increased his commercial creativity during his first years as a supermarket supplier, he felt a lack of support from supermarkets. Thus, Sabino identifies innovation with the rich local wholesalers' knowledge of the vegetable and fruit and vegetable sector, rather than with supermarkets. Argentinian wholesalers encountered global challenges and he proudly adds:

'I never left the Buenos Aires market because the formation of prices takes place here. However, it was difficult to make supermarkets understand how to play with prices; we realized that we worked in a completely different way' (interview, May 2007).

Sabino and a few other wholesalers comply with the Good Agricultural Practices (GAP) code. These wholesalers have a strong commercial position and they remain optimistic about their capacity to conquer consumer loyalty through quality. Sabino's commercial strategy is not to sever ties completely from supermarkets but instead to create space for supplying premium-quality fresh-cut vegetables to restaurants and international hotels. According to Sabino, few supermarket companies are interested in developing growers' brands, preferring to concentrate on their own profits rather than enabling growers to improve their relationships with consumers.

Methodologically, Sabino's case goes beyond value-chain or generic food interpretations, challenging us to rethink the social dimension of quality within a segmented food market. Everyday social practices explain that quality not only refers to product attributes, but also to social organization, communication, and knowledge. This illustration represents the quality issues an interactionist takes into account in a study of the setting in which food quality standards are negotiated. We have argued that in the analysis of these issues an important consideration must be the differing interpretations and thus negotiations of actors.

### **Greengrocers and Different Quality Standards**

Greengrocers are as important as wholesalers for generating an organizational dynamic around the allocation of quality to fresh products in Argentina. They are a critical point of intersection for fresh product distribution to consumers from diverse socio-economic backgrounds. The interactions of greengrocers with wholesalers and consumers constitute a prime example of the pitfalls of equating quality with global quality standards because they situate quality in local social relationships and promote the exchange of knowledge, entrepreneurship, and food quality products in different consumer markets.

Focusing on the actions of greengrocers allows us to observe social components of quality, including knowledge, relationships, and passion, each emerging during commercial transactions between buyers and sellers. The following illustrations show how different entrepreneurs take into account multiple quality demands when organizing fresh food distribution. Although government and private standards contribute to the organization of actors' experiences, buyers and sellers deal with diverse standards constructed as a result of complex decisions and the selective incorporation of skills, experience, and different interests.

The first case is of a small firm organized by an entrepreneur who started delivering high quality fresh produce to high income consumers in May 1990 and made quality setting the hallmark of his business. However, this was only possible because of his embeddedness in the BAWCM. Nevertheless, this relationship was not free from conflict between the small firm and suppliers from the wholesale market. In contrast, the second case demonstrates how quality is constructed by a food provider who services a low-income neighbourhood in Buenos Aires and whose success was based on experience rather than a global quality standard. Although change is apparent within the fresh produce market, there is still the possibility of combining tacit and formal knowledge, a process permitted by the nature of relationships between buyers and sellers.

### *Federico's Enterprise*

This enterprise is located 60 km from Buenos Aires and covers a large geographical area. The firm delivers other products apart from fresh fruit and vegetables, including flowers, meat, artisanal cheese, fish, ham, olive oil, preserves, and aromatics. Products are pre-washed and packaged for optimal conservation, ensuring freshness, high quality, and hygiene.

Federico, the entrepreneur who started the company, is from a middle-class family who used to own a vegetable patch in the 1980s. At university Federico understood that offering quality fresh products throughout the year would be an interesting niche market. Nowadays the enterprise offers over 2,000 deliveries per week, including over 2,500 boxes of fresh fruit and vegetables.

Federico's enterprise uses the BAWCM as its purchasing point, using a loyal group of wholesalers to complement direct purchases from market gardeners (50% of his fresh products). Every day Federico phones different wholesalers and asks about the available quality and quantity of about 10 products that he needs to buy. The following is an observation of Federico at work.

'Federico (with an employee) is sampling an orange to check its flavour. Although they do not stop at each stall for more than 5 or 10 minutes, they spend as much as 5 hours buying products at the BAWCM. During this time they constantly compare products and stalls according to quality, price and origin. Federico points to a potato bag of the Villa Dolores (Cordoba) brand, which is also the name of a geographical region preferred by greengrocers, but Federico knows that these bags come from another region. The brand name is a marketing device, which according to Federico confuses newcomers and inexperienced people like this researcher.'

'Brand manipulation of the best known potato region is a clear demonstration that a notion of quality is involved in market control. The official

standard for horticulture produce (Secretaría de Agricultura y Ganadería Resolution 297/83) classifies potatoes by degrees of quality and size. According to Federico, however, the geographical region influences the preference and price of potatoes at the BAWCM. Federico is proud to state that it is relatively easy to start a fresh fruit and vegetable business, but knowing about quality takes a lifetime. It is here that Federico stresses the importance of creating strong relationships with wholesalers to improve his knowledge and self-confidence about the produce he supplies' (observation, April 2007).

The network of BAWCM relationships surrounding fresh product distribution allows Federico to construct quality criteria to supply customer orders to a standard they appreciate. Nevertheless, social relations are dynamic and susceptible to fracture. This was the case for the relationship between Federico's enterprise and a medium-sized wholesaler during the 2001 economic crisis. Federico had to stop paying many suppliers. Although there was diminished demand during the national economic crises, he strived to continue offering quality products, using his relations with wholesalers to obtain supplies on credit.

Against a background of economic crisis, the delivery of quality is reliant on the social relations around the quality commercial transactions (embeddedness). When Federico began to repay his debts to the wholesalers one of them treated him very badly, according to an employee of Federico, so they decided not to pay and stopped buying fresh produce from his stall. It affected the personal reputation and uniqueness of Federico's business vis-à-vis other suppliers. This highlights how social and economic changes are important contingencies, generating tensions within networks.

#### *Antonio's Enterprise*

This is the case of a greengrocer operating at one of the city's busiest train stations, servicing low-income consumers. Antonio is a 53-year-old greengrocer who is characterized by a wholesaler as 'an expert in fresh fruit and vegetables'. His reputation is linked to notions of food quality. He remembers that employees of the municipal council targeted him because his street selling activity was forbidden by law. However, in spite of his trading being characterized as *ciruja* (scavenger) when he started, he used to wear his best clothes to boost sales of quality products. Smart clothes were a way for Antonio to show in public that he embodied and exuded quality; an individual style to support his low-income food business.

Antonio's shop is open 24 hours a day. Antonio has a partner, but he is solely responsible for supply and pricing. Antonio's purchases are based on his experience, knowledge and relationships with wholesalers. He buys fruit in the Buenos Aires market, but he also goes to a wholesale market for quality vegetables in Bolivia. Antonio's routine is to visit between five to 12 stalls in the BAWCM; however, before going to the market, he contacts vendors, then starts buying at 12 p.m. based on the information he collected by phone, so vendors know what Antonio is looking for.

The market vendor knows that Antonio is a frequent and expert buyer who appreciates quality products with prices negotiated according to quality. Nevertheless, the vendor and Antonio set a price that takes into account the time of day, because this affects the value of the produce. Since Antonio always goes to the wholesale

market at midday, he is able to negotiate profitable prices and maintain social relationships with suppliers. These factors are involved in the context of the transaction and price.

Antonio does not taste products as this is a sign of ignorance for him: 'experience gives you the knowledge to identify quality by appearance', he argues. However, when he tried a kiwi before buying we asked why. He explained: 'the last time I bought acid ones'.

Antonio uses appearance as a proxy for taste and quality in order to decide the products he likes to buy. He says, 'if I like these products, my customers will buy them'. For him, quality is a matter of how the food looks and smells when he buys it; this provides the foundation of his knowledge. He does this following an understanding of what his customers like; it shows a connection between him and his customers that defines food quality according to his perception of what the customer will buy. It presents us with Antonio's skills to support his livelihood in the urban reality of demand for fresh products. This 'trading' reality offers an ambiguous ontology not easily encapsulated by national or global standards. Yet, describing everyday knowledge and beliefs as contingent assumptions and not as a dependent situation of traditional forms of calculation, exploitation or rationality, enables researchers to think about the quality of food as a materiality in new ways, and not just as a governance tool.

Here we find that the social relations of the wholesale market (embeddedness) are activated through the corporeal fluidity of the fruit – the kiwi may be different in two days time in the same place – and the fruit's thickness, represented by taste and colour, length (small, medium, large) and breadth (shape) is a corporeality (kiwi) that actualizes Antonio's relationships with the fruit and the wholesaler.

Social interaction within the market place is a property of what wholesale market services are for: a repetitive performance confirming assessment of the character and attributes of fruit and vegetables. This exchange concludes as a matter of judgment rather than choice over what fresh foods are like (quality). It remains as experiential knowledge of the local/tacit standards in action, influencing future purchases from producers and the path towards customer consumption practices of a kiwi in some neighbourhoods of Buenos Aires. The elements exchanged in those relationships go beyond abstract prices and strict quality degrees. It is possible to explain the importance of non-commoditized elements in different transactions of fresh fruit and vegetables.

### **Construction of a National Standard**

In North-western Argentina, three innovative entrepreneurs developed a new variety of avocado and created a local association in 2002, the National Avocado Producers Association, which exported avocados to Chile and Europe (Ignoto and Figueroa, 2007). These highly organized growers asked the Secretariat of Agriculture, Livestock, Fisheries and Food (SAGPyA) to change the official quality protocol from appearance to credence based on 'objective attributes' of avocados (i.e. dry matter and dry weight).

This private attempt at quality objectification of avocados sought to homogenize national production according to international standards. The action generated social and political interactions between public and private actors, creating the material conditions for confrontations between avocado growers. These confrontations

were part of the ongoing process of quality setting involving negotiation, adaptation and the transfer of meaning between different producers and retailers. This issue, we believe, is important in understanding the intended and unintended consequences of international quality standards. Here the quality standard is initiated 'from below' by a group of producers.

The objectification and measurable legitimation of avocado attributes was seen by some growers and the government as an important factor in promoting avocado exports and in securing a position in the international market. This process entailed both covert and overt power routes, as well as the interweaving of contrasting, and seemingly incompatible, interests. It highlights how the arena of quality setting involves not so much a confrontation of definitions of quality but rather a practice of distinct quality repertoires based upon different interests, and the implications these different interests might have for negotiating and defining market control.

#### *Avocado Producers Association*

These processes can be illustrated through a case relating to the national standard for avocados in Argentina. The Ministry of Agriculture (SAGPyA, 2008) wanted to improve quality standards to gain an export market and thus joined forces with the National Avocado Producers Association. It was held to be a practical mechanism for creating 'order' within avocado production; however, small- and medium-scale producers interpreted this turn to quality as a political move to eliminate them from the national market. This interpretation gained force when policymakers and large producers characterized the small- and medium-scale sector as comprised of disorganized competitors. A controversy over the social and market significance of avocado quality led to a series of struggles between different producers, business interests, and policymakers. The avocado quality initiative became a policy arena characterized by a disagreement over whose interests quality represented. Struggles included one group in favour and one group against export-oriented fruit and vegetable production as a means of participating in the global market rather than in the domestic market.

Small- and medium-scale growers were not convinced of the efficacy of the national quality standard pertaining to avocados as a mechanism for ordering fruit quality for the domestic market. They claimed that the national quality standard was a political alliance to establish a norm that was expensive and bureaucratic and a vertical form of control. They considered that this new norm favoured the interests of the export sector rather than production for national markets and Argentinean consumers of avocados.

This brought out opposition to productivity improvements and the use of expensive technology from small producers and retailers in the wholesale market. The certification of quality, encompassing diverse and conflicting elements of modernization, represented the basis for the reorganization of the avocado sector. In effect, modes of quality developed around the point of contention regarding the importance of avocado diversity, which meant keeping different prices and perceptions of quality among producers, retailers and consumers within specific networks; hence resisting quality standardization.

The association of large avocado growers finally achieved the official national avocado standard. However, this quality criterion failed to stop medium and small avocado producers from selling their products. Consequently, the Avocado Produc-

ers Association complained that it was necessary to legally stop the commercial circulation of non-certified avocados to improve and manage the quality of the Argentinian avocado. The association of large avocado producers argued that they were subjected to unfair competition (Ignoto and Figueroa, 2007).

Both medium and small producers and an important group of retailers believed that keeping a diversity of avocados in the market allowed consumers to have access to an avocado portfolio benefiting different lifestyles. The result is that there are still different quality grades of avocados in BAWCM today, in spite of the establishment of the national standard for national/international avocado quality.

The controversy around 'avocado quality' illustrates a contemporary tension between global and national commodity processes. The orientation of large national producers to achieve global quality standards to compete internationally exemplifies globalization from below. However, we can conclude that any attempt at standardizing quality can become a public issue since different interests, knowledge and practices socially construct food quality, and it is important to elucidate and analyse their social and political implications.

Recognizing the significance of quality-setting processes implies that quality discontinuities cannot always be overcome using the argument that quality standardization is a necessity to competing for distant markets within liberalized trade regimes. Indeed, quality conflicts often reinforce the existence of opposing world views and practices in terms of fresh food to access domestic markets or markets further afield. The quality setting represents an arena of knowledge within which different interests, visions and priorities are fought out.

## **Conclusion**

This article has highlighted the type of issues a social interactionist approach takes into account when studying quality standards. We have argued that in the analysis of these issues, a prime consideration must be the differing interpretations, social relations, and materialities of quality in 'real' markets and, therefore, subsequent negotiations and conflicts between different actors. We must reiterate that a view of the expansion of global quality standards as a 'negotiated order' and that is part of actors' encounters cannot do justice to all aspects of quality setting. We recognize that a purely interactionist approach cannot adequately analyse the political economy of quality standards, such as in relation to the Argentinian economic crisis, which severely affected fresh fruit and vegetable consumption. Our argument at the outset of this article was not that an interactionist approach could provide a total theory of quality, but rather that this perspective brings to the fore particular aspects of quality setting in a way that adds richness to existing debates and helps us to rethink the notion of the food value chain.

We submit that the requirements of global management elites are far removed from the experience of actors operating in functioning markets themselves. Global quality standards form a centralized approach to quality control, as an organizational model. The case of the wholesale market in Buenos Aires has been used to argue that there are several organizational trajectories at work in the construction of quality in functioning markets; thus global quality standards are just one expression of globally and locally situated relations. Our cases reveal that the relations and interactions revolving around food objects incorporate a social dynamic generated by

actors in situ, resisting the inroads of a global homogenization process that engulfs singular food markets around the world.

Thus, a social interactionist approach reveals the complexity of implementing global quality standards in local contexts, and it highlights the significance of multiple interpretations of and degrees of engagement of social actors with the global expansion of standards. This perspective allows for a more sophisticated interpretation of how the global scale of quality, social relations, institutions, disputed quality knowledge claims, and food aesthetics create new values and social commitments. These processes beget new types of agency and new materialities, such as those represented by the changing interpretation of quality at the BAWCM. This includes novel organizing practices at both the level of social interaction, the physical presence of the produce, information, and 'consumer communities' demanding quality; each shape retailers' perceptions of quality and the identities of segmented markets.

By problematizing quality standards, we situated quality considerations by actors to resolve issues of content, clientele, funding sources and innovations and, in effect, locate the issue of quality as a broad relational field within the globalization of food. In short, quality is part of a complex world that links produce attributes with social actors. The visual characteristics of fresh fruit and vegetables, together with their seasonality and geographical origin, become intertwined with social relationships that rely on social actors' knowledge to service lifestyles associated with different economic contexts. Thus, quality has multiple definitions: this article has shown how social encounters assemble global forms of retailing with local social constructions of business and entrepreneurship.

The formalization of global quality into a national standard is not easy to achieve and is potentially conflicting in nature. Indeed, as demonstrated through the controversy over avocado standards, quality is not only a set of normative procedures that serves to order the market, but an entry into further economic interests. The attempt to legitimize the new quality avocado for export opened up the political and social dimensions of quality, revealing how the government does not always defend the local differences of supply practices and food varieties. The national avocado standard points to how an amalgam is created out of local and global insights concerning the process of qualification of fresh fruit and vegetable.

Finally, in a more macro-sociological sense, our study at the BAWCM enriches the understanding of the larger social significance of quality in real markets. The emphasis on meaning and on the negotiations of meaning (successful or not) is used to look at the transformation of food supply and demand (markets) through social interactions and the way that different actors deal with circumstances such as the social effects of global quality standards. In this regard, understanding the practices of greengrocers disclosed their capacity to deal with bewildering quality criteria and the creation of an economy of variability (de Raymond, 2007). This phenomenon of the content of greengrocers' quality practices spilling over into global quality standard settings – with an attendant erosion of the authority of the global project – has generated considerable comment, and it has become fashionable, in terms of globalization from below as well as globalization from above (food governance), to bemoan the tendency that homogenization of every real world market is the work of a growing corporate financial elite.

Not denying the validity of specific instances of the work of corporate financial food interests towards actors in the market, we believe an interactionist approach allows for a more subtle understanding of quality demands/market segmentation

relationships than simple nostalgia for the self-autonomy of local entrepreneurs and markets. An interactionist sees real markets and food service providers existing in a dynamic relationship, with quality setting not only imposing changes in market practices but also responding to global quality standards in an active rather than a passive way. To fully understand the implications of the rise of global quality standards encroaching on local food entrepreneurs and on some producers categories, we have to examine not only the motives of the official government experts but also the meaning of these events to local entrepreneurs and to some categories of producers.

It may well be that some entrepreneurs and producers, for example large wholesalers and large producers oriented to international markets, welcome global quality standard development to a greater degree than other members, for instance greengrocers and small and medium-sized producers of fresh produce, for the reason that more traditional modes of quality attribution are no longer experienced as economically tenable. This thinking casts a different light on the possible relationship of food services with actors' affects about what quality is and their resistance to accept the operation of quality standards as a governance technique for food. Thus, global food retailers, through supermarkets chains, are not totally disembodied forms of global organizations. In other words, supermarkets are not only efficient organizations that reproduce unproblematically a global management model of the value chain. In fact, they are carriers of global procedures, the implementation of which generates emergent social interactions and a linguistic shift among local retailers towards consumer demands for quality as a new social category, requiring specialized provisioning of food services. The changes in national quality standards to accommodate global requirements of produce surface through local quality settings absorbed into mainstream food service networks – all our cases point to the contested role of quality that the providers of food services are playing in the erosion of the neoclassical representation of the single, integrated market as the official representation of economic organization.

Unevenly and ambivalently, at the BAWCM, social actors qualify and requalify fresh fruit and vegetables according to different individual knowledges, experiences and personal business acquaintances to supply consumer demand, and they confer legitimation on new forms of demanding quality produce. Again, we do not want to minimize the historical or contemporary regressiveness of much voluntary quality standardization and value food chain activities oriented to reduce varieties of food practices and produce (variety costs money and efficiency). But we must recognize this quality setting for the locus of contemporary food service provision interactions. They are generating heterogeneous assemblages where 'modern' and 'precise' food distribution procedures (large producers and supermarkets) coexist with a variety of other distribution circuits (greengrocers, wholesaler-distributor, institutional canteen), and see that for some the global quality standards contain genuine global market participation possibilities. In fact, it does not seem too stately to say that there seem to be virtually no important areas of social life in which struggles over quality meanings are not being played out in the diversity of retailer services to satisfy consumer demands and notions of quality.

Old forms of the standardization of food production and distribution are being challenged significantly, as organic enthusiasts, fair-trade and ethical-oriented food advocates confront the practices of the mainstream producers and retailers. At the other end of the consumption and material demand, there are similar confrontations over the most appropriate organization of food procurement, as a coalition of

consumers and advocates challenge the traditional mediation role of retailers in the market and search for a direct reconnection with food producers, their rural practices and their environment. In sum, the service provision of food appears to be the arena of some of the most basic events about quality occurring in post-standardized society now, and a social interactionist approach facilitates a way to comprehend the meaning and negotiations over quality standards.

## Notes

1. This orientation draws freely from Dilley's attempt to develop an understanding of 'the market' from outside dominant narratives of market discourses. Thus, these 'voices' and 'conversations' situated in specific markets are central to address quality in particular 'physical' and 'geographical' settings. Thus quality is an 'aspect' of trade and the places where exchanges are conducted. This highlights quality as a course of action of trade and exchange with spatial and temporal situated properties (cf. Dilley, 1992).
2. <<http://www.encyclopedia.com/doc/1O999-quality.html>>, accessed 14 July 2012.
3. Socially different aesthetics is based on inequality; it is an increasing global phenomena rooted in the shift from Fordism to flexible accumulation (Harvey, 1992). Thus, the segmentation of food supply and demands (i.e. the worlds of conventional and alternative food) can be seen as the world of different qualities. This is an extension and consequence of flexible accumulation, along the lines of consumers' income, time and information affordability.
4. For social aesthetics, see Highmore, 2010.

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