Rethinking Post-2015 Development
Conceptual and Policy Implications Beyond MDGs

Saturday, April 18th, 2015

Venue: EDR (Educational Divide Reform)
30 JFK St. 3F & 4F, Cambridge, MA 02138

Cosponsored by: CASID, EDR and the PhD Program in Global Governance and Human Security at UMass Boston
Global Political Economy Post-2015: The Role of Global Political Actors

By Stephan Manning (UMass Boston)

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Global Social/Environmental Problems Persist

- Lack of environmental protection (e.g. destruction of rainforests)
- Lack of safety standards at work (e.g. Rana Plaza Factory disaster)
- Food safety and access to drinking water (e.g. spread of diseases)
- Lack of legal protection of property (e.g. land grabbing)
- Child and forced labor (e.g. slavery, child trafficking)
Who Participates in Addressing These Problems?

- Lack of environmental protection (e.g. destruction of rainforests)
- Lack of safety standards at work (e.g. Rana Plaza Factory disaster)
- Food safety and access to drinking water (e.g. spread of diseases)
- Lack of legal protection of property (e.g. land grabbing)
- Child and forced labor (e.g. slavery, child trafficking)
Global Organizational Actors

- Unilever
- UNDP
- Rainforest Alliance
- Fair Trade International
- giz
- On behalf of Federal Ministry for Economic Cooperation and Development
- WWF
- Greenpeace
- Kraft Foods
Global Actors
- Development Agencies
- Multinational Firms
- Standard Organizations
- Global NGOs

Resources: Expertise, Power, Financial Capital, Global Reach

Studying Projects/Interactions

Local Actors
- Local Governments
- Local Firms
- Local Cooperatives
- Local NGOs

Resources: Local Expertise/Resources/Legitimacy
Daimler South Africa enters three-year PPP in 2001 with German Development Agency to develop HIV/AIDS prevention strategy for South Africa.

HIV/AIDS workplace program aimed to preventing new infections amongst employees, dependents and their communities, ensuring comprehensive treatment, care and support.
The Collaborative Agenda:

-Cross-sector social partnerships and multi-stakeholder processes help solve social problems (e.g. Selsky & Parker, 2005, 2010; Hemmati, 2002; Manning & Roessler, 2014)

-Hybrid business models help pursue business & social objectives/create shared value (e.g. Porter & Kramer, 2011)

-Participation of corporations as political actors democratizes governance (Scherer & Palazzo, 2007, 2011)

Main assumption:

Business and social partners share interests/goals in development/solving collective problems and are able to bring resources and complementary skills together
Sustainable Coffee Production
## The Failure of Coffee Industry Regulation

<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>58 consuming and producing countries set up International Coffee Agreement (ICA) to stabilize coffee prices and export volume per year</td>
<td>Coffee supply and prices stabilize between members, while worldwide production volume increases</td>
</tr>
<tr>
<td>1980s</td>
<td>Gap emerges between coalition prices and market prices</td>
<td>Some producing countries feel constrained by agreement; plus new producing countries enter the market → they sell to non-member countries for lower market prices</td>
</tr>
<tr>
<td>1989</td>
<td>Member countries fail to renew coalition → ICA agreement is dismantled</td>
<td>Price war intensifies; quality of mainstream coffee decreases; some coffee farmers switch to other businesses</td>
</tr>
</tbody>
</table>
## Rise of Sustainability Certification in Coffee

<table>
<thead>
<tr>
<th>Standard-setter</th>
<th>AAA Sustainable Quality</th>
<th>4C Association</th>
<th>Starbucks C.A.F.E. Practices</th>
<th>Fairtrade</th>
<th>Organic</th>
<th>Rainforest Alliance</th>
<th>UTZ Certified</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main Objective</strong></td>
<td>Secure the future supply of the highest quality coffee.</td>
<td>Baseline standard to eliminate worst practices.</td>
<td>Reward high-quality sustainably grown coffee.</td>
<td>Seek an alternative approach to conventional trade. Development/Poverty alleviation.</td>
<td>Promote a production system that sustains the health of soils, ecosystems and people.</td>
<td>Conserve biodiversity and ensure sustainable livelihoods.</td>
<td>Sustainable farming and better opportunities for farmers, families and our planet.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Compliant Coffee produced 2012</th>
<th>247,114 MT</th>
<th>1,782,058 MT</th>
<th>457,339 MT</th>
<th>430,000 MT</th>
<th>248,767 MT</th>
<th>348,793 MT</th>
<th>715,648 MT</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of global production (40% total)</td>
<td>3%</td>
<td>22%</td>
<td>6%</td>
<td>5%</td>
<td>3%</td>
<td>4%</td>
<td>9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Target Group</th>
<th>High-quality coffee growers</th>
<th>All coffee producers</th>
<th>High-quality coffee growers</th>
<th>Smallholder producers</th>
<th>All coffee producers</th>
<th>All coffee producers</th>
<th>All coffee producers</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Initiator</th>
<th>Firm (Nespresso)</th>
<th>Firm (Starbucks)</th>
<th>Firm (Organic)</th>
<th>Firm (Rainforest Alliance)</th>
<th>Firm (UTZ)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Government/Industry</td>
<td>Social Movement/NGO</td>
<td>Social Movement/NGO</td>
<td>Social Movement/NGO</td>
<td>Firm (Ahold Coffee company)</td>
</tr>
</tbody>
</table>
Rise of Sustainability Certification in Coffee*

## Rise of Sustainability Certification in Coffee

<table>
<thead>
<tr>
<th>Coffee roaster</th>
<th>Sales in metric tonnes MT 2010 (2005)</th>
<th>Sustainable coffee sourcing by 2005</th>
<th>Sustainable coffee sourcing by 2010</th>
<th>Sustainable sourcing commitments until 2015/2020 (date of announcement up to 80% achievement reported by 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nestlé</td>
<td>870,000 (780,000)</td>
<td>&lt;0.2% Fairtrade/Rainforest Alliance certified. 4C Member.</td>
<td>0.23% Fairtrade/Rainforest Alliance/UTZ/organic certified. 4.6% 4C/Nespresso ‘AAA’ verified.</td>
<td>Nescafé Plan (2010) • 100% 4C verified by 2015 &amp; 90,000 MT Rainforest Alliance certified by 2020. • 180,000 MT directly sourced by 2015. • CHF 500 mio for coffee projects by 2020</td>
</tr>
<tr>
<td>Kraft Foods/ Mondelez</td>
<td>700,000 (780,000)</td>
<td>1.5% Rainforest Alliance certified. 4C Member.</td>
<td>7% Rainforest Alliance certified.</td>
<td>100% certified or verified for its European coffee brands (30% of total) by 2015 using 4C, Fairtrade, and Rainforest Alliance (2010). “Coffee made Happy” (2013) • 1 mio coffee entrepreneurs by 2020 &amp; $200 mio for technical assistance and training</td>
</tr>
</tbody>
</table>
## Rise of Sustainability Certification in Coffee

<table>
<thead>
<tr>
<th>Coffee Roaster</th>
<th>2005 Sales MT</th>
<th>Certified 2005</th>
<th>Certified 2010</th>
<th>Certified 2015-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sara Lee</td>
<td>450,000 (600,000)</td>
<td>2% UTZ certified. 4C Member.</td>
<td>9% UTZ certified.</td>
<td>20% UTZ certified coffee by 2020 (2011).</td>
</tr>
<tr>
<td>Smucker's Procter &amp; Gamble</td>
<td>250,000 [288,000]</td>
<td>&lt;0.5% Fairtrade / Rainforest Alliance certified.</td>
<td>&lt;0.5% Fairtrade / Rainforest Alliance certified.</td>
<td>10% UTZ certified coffee by 2016 (2012).</td>
</tr>
<tr>
<td>Strauss</td>
<td>215,000</td>
<td>None.</td>
<td>None.</td>
<td>Increase sourcing of 4C verified by 20% per annum (2011).</td>
</tr>
<tr>
<td>Tchibo</td>
<td>173,000 (204,000)</td>
<td>0.7% Rainforest Alliance certified. 4C Member.</td>
<td>1.15% Fairtrade/ organic certified. 4.3% Rainforest Alliance certified. 4% 4C verified.</td>
<td>25% sustainably verified or certified by 2015; aiming at 100% using 4C, RA, UTZ, Organic (2012)</td>
</tr>
<tr>
<td>Lavazza</td>
<td>140,000</td>
<td>None.</td>
<td>None.</td>
<td>No sourcing commitments.</td>
</tr>
<tr>
<td>Starbucks</td>
<td>135,000 (141,600)</td>
<td>3.7% Fairtrade certified. 24.6% C.A.F.E. verified.</td>
<td>7.4% Fairtrade + 3% Organic certified. 75.5% C.A.F.E. verified.</td>
<td>100% CAFE Practices verified, Fairtrade or organic certified by 2015 (2008) 2nd largest Fairtrade coffee buyer.</td>
</tr>
<tr>
<td>Aldi</td>
<td>120,000</td>
<td>None. 4C Member.</td>
<td>None.</td>
<td>No sourcing commitments. Fairtrade coffee line in 2011.</td>
</tr>
</tbody>
</table>
Towards Meta-Standardization of Standards*

**Convergence**
- Increasing alignment of standards over time
  - Emergence of a common vocabulary
  - Creation of shared ‘certification platforms’
  - Adoption of industry-level codes of good practice

**Differentiation**
- Distinctive positioning of standards
  - Emphasis on distinctive features
  - Targeting different groups of adopters
  - Offering base or premium level

Formation of shared core criteria

Sustenance of multiple standards

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# From Local Coffee PPP Development Projects to Global Standards

<table>
<thead>
<tr>
<th>Start Time**</th>
<th>Partners</th>
<th>Country</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Development Projects Prior to the Foundation of 4C Association (Selection)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>GTZ, Sara Lee, GEPA, Asprome (coffee producers umbrella organisation) (PPP)</td>
<td>Colombia</td>
<td>Export promotion, product development, organic coffee production; strong focus on economic and agricultural dimension of improvement, social and ecological dimension partly addressed.</td>
</tr>
<tr>
<td>2000</td>
<td>GTZ, Douwe Egberts, Kraft Foods, TAM LAM Pepper Comp. (PPP)</td>
<td>Vietnam</td>
<td>Improvement of coffee production, processing and commercialization, organizational strengthening and establishment of management capacity; enhance sustainable production of coffee</td>
</tr>
<tr>
<td>2000</td>
<td>GTZ, Neumann Group, local partner NKG-finca La Puebla</td>
<td>Mexico</td>
<td>Introduction of local certification system for social and ecological standards in coffee production. Project provides important experience for 4C and serves as a model.</td>
</tr>
<tr>
<td>2000 (Multiplier)</td>
<td>GTZ, Neumann Group, local producers, PPP</td>
<td>Uganda</td>
<td>Increase the revenues of coffee farmers through an improved production, through certification and marketing of organically produced Robusta coffee.</td>
</tr>
</tbody>
</table>

From Local Projects to Global Standards

Local development projects establish & ‘test’ new standards in local contexts (‘local pilots’)

Local development project 1

Local development project 2

Local development project 3

Local development project 4

Local development project n

Global project network links together local projects & partnerships in a common domain

Global project network
- emerging set of longer-term, yet project-based trans-local actor relations
- strategically developed and coordinated by project entrepreneur(s)
- helps ‘enact’ and relate local experiences & practices across boundaries
- helps develop trust, project capabilities & common ground among stakeholders

Global project network helps identify key stakeholders and relevant project experience for global standard setting

Global development project(s)
- aimed at promoting sustainability standard
- involving stakeholders from project network
- lifting local experience up to global level
- based on established common ground and relational trust

Permament global organization
- implements global standard and institutionalizes consensus among key stakeholders developed in local and global multi-stakeholder projects
- self-regulating through members, council etc.
- member experience of local projects and in establishing consensus helps adapt and further develop standard over time

Global standard gets tested/distributed at local level
Global Project Network Organization led by GTZ/GIZ*

Multinational corporations (Coffee roasters)

Development agency GTZ (Partly assisted by consultants)

Governments of consuming and producing countries

External debate

External authority relations

Project-based relations

Non-governmental organizations

Local producers (Coffee growers, cooperations)

Participants in various projects

Local institutions (Administrations, associations)

The Confrontational View:

- Corporations undermine NGO governance attempts / CSR is cynical ploy (e.g. Banerjee, 2008; Edward & Willmott, 2013)

- MNCs exercise governance through economic/political power in global production networks (e.g. Levy, 2008)

- Creating shared value is a myth neglecting the corruptive power of capitalism (e.g. Crane et al., 2014)

Main assumption:

Powerful business actors defy or coopt governance attempts of NGOs, standard-setters and others.
Towards Constructive Cooptation?
Revisiting Coffee Sustainability Standards
Growth of sustainable coffee as series of strategic concessions*

Constructive Cooptation:
- Established value regimes (economic model, governance structure, discourse) and ‘alternative models’ get mutually aligned and transformed by MNCs and NGOs
- MNCs coopt governance attempts, but in doing so also adopt elements of change projects (e.g. ‘ethical labels’)
- Both businesses and NGOs make strategic concessions and align their existing/imagined value regimes

Main assumption:
Businesses, NGOs and other political actors enter continuous processes of negotiation/interaction towards de-/re-stabilizing hegemonic value regimes
Three Announcements:
AIB US-NE 2015 Frontier Conference
MOR Africa Section
Organizations and Social Change Blog
AIB US-NE 2015 Frontier Conference:
Bringing the Political Economy Back In
October 22-24 2015
University of Massachusetts Boston

Call for Papers

We are pleased to announce this year’s Academy of International Business (AIB) Frontier Conference “Bringing the Political Economy Back In”, organized by the US-Northeast (US-NE) Chapter of AIB – the leading association of scholars and practitioners in the field of international business – together with the College of Management at UMass Boston (UMB).

The meeting will take place October 22-24, 2015, at the Campus Center of UMB in downtown Boston – a city with a rich cultural and historical heritage, and a global hub for education, science and technology.
Call for Papers continued...

This conference is designed as an interdisciplinary platform for intellectual exploration around the complex relationship between international business (IB) and the political economy. The decisions and operations of multinational enterprises (MNEs) and local firms are affected by institutional, economic, and political structures and processes at multiple scales - local, regional, and global. Moreover, MNEs increasingly participate as political actors as they interact with state and non-state actors around issues such as the natural environment, inequality, labor and gender, human rights, and international trade and investment agreements. In addition, other organizations such as NGOs, non-profits, social enterprises etc. increasingly have transnational impact through their interaction with MNEs and other actors on these issues.

To examine these dynamics in more depth, this conference brings together senior and junior scholars from IB, management, sociology, political science, women’s studies, and economics who share an interest in ‘Bringing the Political Economy Back In’.

The Frontier conference will be hosted by faculty and students of the UMB Organizations and Social Change (OSC) Research Group: Alessia Contu, Chacko Kannonthra, David Levy, Banu Ozkazanc-Pan, Suhaib Riaz and Chris Whynacht, in collaboration with the AIB US-NE Chapter, chaired by Stephan Manning, and faculty from other UMB departments, including Economics and Political Science.
Call for Papers continued...

Several well-known scholars from International Business, Sociology, Economics, Women’s Studies, and Political Science will participate - as keynote speakers, panelists, track chairs and mentors for the Doctoral Consortium and Paper Development Workshop.

We look forward to welcoming Jonathan Doh (Villanova U, Editor-in-Chief of Journal of World Business), Ram Mudambi (Temple U, Incoming President of AIB) and Mona Makhija (Ohio State U, Senior Editor of Journal of International Business Studies / JIBS) to assist with the Doctoral Consortium and to join as panelists and keynote speakers. For the main conference, Cynthia Enloe (Clark U) and John Cantwell (Rutgers U, Editor-in-Chief of JIBS) will give keynote addresses.

We are also planning some exciting panels, including two on October 22 for the Doctoral Consortium – on conducting high impact research in IB, and managing dissertations and job search; as well as four panels on October 23/24 on political economy challenges to IB research; global governance and the role of multinational enterprises; international development, violence and gender; and climate change, IB and global politics of energy. Panelists include beside the ones above (in alphabetical order) Frank Ackerman (Tufts U), Cornel Ban (Boston U), Elora Chowdhury (UMB), Kade Finnoff (UMB), Dirk Matten (York U), Craig Murphy (UMB) and Ravi Ramamurti (Northeastern U).
Short Paper Submissions

We invite submissions of ‘short papers’ (around 3,000 words) for individual presentations that link, in interesting and novel ways, various aspects of the local and global political economy to international business.

Topics include: political economy and theory of the MNE; managing geographic and institutional distance; international joint ventures and alliances; political risk, lobbying, and corruption; international expansion, sourcing and foreign entry modes; learning and knowledge management; and managing in cross-cultural context; local and global institutions; Governance, collaborative and contested; CSR and shared value; MNEs as political actors; Interactions between MNEs, states, and civil society; MNEs and development; Emerging varieties of capitalism; Transnational crime, from human trafficking to money laundering; Gender, race, and ethnicity in MNEs and the global economy; Political and institutional risks; Climate change responses; Sustainability standards; Global financial system issues, including tax havens, shadow banking and other controversial industry practices; Intellectual property rights; Labor and human rights; Migration and transnational networks; Conflict, violence, peacemaking and reconstruction; Economic and social inequality; Transnational movements, communities and networks; Post- and neocolonial relations.
Short papers should be submitted through the Conference Website (up to three submissions allowed per author):


All submissions will be double blind reviewed by scholars with expertise in the respective field. The Best Student Paper as well as The Best Paper on the Conference Theme will receive an award at the end of the conference. Submitters are expected to also sign up as reviewers. We will issue a Best Reviewer Award.

Deadline for submission of short papers is **May 31 2015**.

Full paper submissions are invited, upon the acceptance of short papers, by August 31. They will be presented by authors and discussed by domain experts at the conference.
Management and Organization Review (MOR) is inviting submissions on international business/political economy in Africa (and developing countries/regions in general). (I can help in my role as senior editor)

Contact: Stephan.manning@umb.edu
Organizations and Social Change Blog

We welcome submissions addressing topics at the intersection of business and society, including (but not limited to) such issues as corporate social responsibility, sustainability, climate change, corporate governance, inequality, workforce diversity, economic development, labor relations, social movements, and global production networks. Examples:

“Does the Sharing Economy Reproduce Inequality?”,
“Transforming Academia: From Silo to Vehicle for Social Change”,
“The Fashion Trap: Why Fairtrade Works in Coffee but not in Clothing”

https://organizationsandsocialchange.wordpress.com