Assessing Certification as Governance: Effects and Broader Consequences for Coffee

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Abstract
Nonstate certification programs have emerged as a new tool for steering the use and exchange of natural resources. Yet, despite being innovative, certification remains controversial. Questions surround how best to engage mainstream businesses in certification and respond to the proliferation of schemes. Examining the coffee sector, this article engages these debates to discuss whether certification can be a tool for change and what type of change that is likely to be. It argues that certification programs alone struggle to account for the great diversity of production systems by which and social contexts in which coffee is grown. The innovative dynamism of certain companies and nongovernmental organizations supported by public awareness for ethical and environmental coffee may, therefore, be a great strength facilitating constant adaptation and learning. Certification’s potential will, in other words, turn on how it intersects with other private and government-led initiatives addressing coffee-sector challenges.

Keywords
certification, global governance, environmental governance, public policy, public–private interactions

Introduction
Students of public policy and international relations are paying increased attention to a host of governance efforts aimed at addressing critical social and environmental problems. For international relations scholars, several initiatives, organizations, and
institutions are seen to represent emerging transnational steering mechanisms (Rosenau,
1995), transnational new governance (Abbott & Snidal, 2009), global civil society
(Wapner, 1996), or a global public domain (Ruggie, 2004), all of which denote a world
order not centered on or guided by autonomous sovereign states. For public policy
scholars, an equal array of initiatives now serve functions typically the prerogative of
states, presenting equal challenges to standard models of policy development and
change (Jordan, Wurzel, & Zito, 2005; Rhodes, 1996).

Fitting within these broader trends, the coffee sector stands out as a particularly
vibrant venue for a prominent new form of governance: social and environmental
certification initiatives. Coffee has long been the focal point of political contests over
how the economic rents from this lucrative crop should be divided among countries,
companies, and peoples (Bates, 1997; Dicum & Luttinger, 1999; Pendergrast, 2001;
Talbot, 2004). Recently, it has become a testing ground for certification initiatives that
aim to use market pressure to address the environmental and social harms associated
with unfettered coffee production and trade (cf. Daviron & Ponte, 2005; Raynolds,
Murray, & Heller, 2007). However, as much as certification constitutes a governance
innovation, it remains a controversial tool. This article examines this controversy to
assess whether certification as governance can be a tool for change and what type of
change that is likely to be.

Broad critiques of certification focus on its limited ability to address systemwide
problems in any given sector (Speth, 2008; Vogel, 2008). With coffee, apprehension
and debate surround two main issues. First, there are concerns about the efficacy of
courting mainstream business clients to become part of an effort to empower margin-
alized growers. As Bacon, Méndez, Gliessman, Goodman, and Fox (2008) state, “This
debate concerns the extent to which Fair Trade can avoid being co-opted by the corpo-
rate centered market system it was set up to challenge and transform” (p. 359). For
some, the mainstreaming strategy, to which certification is central, has watered down
the fundamentals of fair trade, greatly limiting its transformative potential (cf. Jaffe &
Bacon, 2008). A contrasting view believes certification is a pragmatic tool for bringing
the benefits of fair trade to a larger group of growers and expanding public awareness
of and interest in ethical and environmental consumption (Conroy, 2006).1

The second point of debate surrounds the more recent formation of new certifica-
tion initiatives. Having benefited from market interest partly generated by the success
of fair trade and organic labels (Taylor, 2005), the emergence of these initiatives raise
questions about what proliferation means for the ability of any given program to
encourage better social and environmental practices. Proliferation might, for instance,
foster regulatory competition leading to a race to the bottom, eroding any gains in
social and environmental conditions brought about by fair trade and organics (Bitzer,
Francken, & Glasbergen, 2008; Conroy, 2006; Raynolds et al., 2007). Conversely,
new programs may complement existing initiatives and, therefore, help broaden the
scope of issues addressed and the overall uptake of improved social and environmen-
tal practices across the coffee sector. In both instances, the debates reveal a political
struggle over what aims to pursue and how best to get there (Blowfield, 2003; Renard,
2003; Scott, Vandergeest, & Young, 2009).
This article argues that a productive synergy may be emerging among two levels of certification and the intergovernmental coffee governance regime. First, certification programs with more stringent requirements, such as fair trade and organics, have gained a toehold of support within the mainstream market. A set of separate programs, with broader and arguably more lenient standards, are reaching out to a wider segment of the sector. Although, as noted above, this raises concerns about consumer confusion and downward pressure on standards, the publics’ general high awareness of fair trade and organics ostensibly means these two levels of programs are more likely to work synergistically for coffee than in many other sectors. It means higher bar programs can continue to differentiate themselves from later developing programs and hence maintain upward pressure on practices (cf. Cashore, Auld, Bernstein, & McDermott, 2007).

Second, adding to this, there are growing collaborations between programs with sectorwide aims and government-led initiatives, with the two working together to provide training and support services for commodity producers. Taken as a whole, these initiatives appear to have a potential that would not be apparent if any given activity were examined alone.

The remainder of this article proceeds in three parts. First, it details the origins, structure, and demise of the International Coffee Agreement (ICA), an effort to regulate world trade in coffee to control the volatility and level of coffee prices. In addition, it reviews changes in domestic coffee regulations relevant when discussing the emergence and potential of certification. Second, given that its structures, aims, and functions have been described by other authors (cf. Daviron & Ponte, 2005; Raynolds et al., 2007), certification is only briefly introduced to highlight the variety of existing programs. The third and final section addresses the direct effects and broader consequences of certification as governance to explore both possibilities and pitfalls and to outline how the various private and public initiatives may work together going forward. The assessment casts a wide net to cover a host of different initiatives. Rather than think of programs in isolation, it considers how certification interacts with a broader set of efforts to address social and environmental challenges and how this perspective reveals different potentials and limitations of the tool. To conclude, the discussion turns to the future to tease out what current trends portend.

The Coffee Governance Regime

Before the advent of certification, the regulation of coffee production and trade were split. Internationally, the regulatory framework centered on the distribution of coffee rents among producer and consumer countries. The 1948 Havana Charter established procedures for negotiating intergovernmental commodity control agreements for regulating prices, production, or exports and imports. These were deemed appropriate when (a) surplus commodity production existed or could develop such that livelihoods of small producers would be threatened or (b) when changing production of a given commodity would create widespread unemployment (United Nations, 1948).

With coffee, it took price declines in the late 1950s and heightened U.S. concerns about communism taking root in Latin America for interests of producing and
consuming nations to converge enough to negotiate the 1962 ICA (Bates, 1997; Bilder, 1963; Fridell, 2007; Pendergrast, 2001; Talbot, 2004). The agreement set a target price that was compared with market indicator prices to determine export quotas. Quotas were tightened when the indicator price fell below the target price, and they rose as the indicator price rose. With very high prices, the quotas were disbanded altogether (Ponte, 2004). The ICA went through four iterations between 1962 and the suspension of its quota provisions in 1989 (Financial Times, 1989). Although subsequent agreements were adopted in 1994, 2001, and 2007, none contained the market controls.

The demise of the ICA’s market interventions reshaped coffee policies across producing countries. It came with broader liberalization pressures that propelled the retreat of public marketing boards and government intervention in the coffee sector, allowing private interests and institutions to fill the void (Fridell, 2007; Ponte, 2002). In the mid 1980s, of the 51 coffee-producing countries, only 15 had private marketing systems. Another 11 had collaborative public–private marketing boards, and 25 had government-run boards (Akiyama, 2001). In addition, according to a 1988-1989 Food and Agriculture Organization (FAO) survey conducted in 113 countries, 81% of agriculture extension work was government run. Nongovernmental organizations (NGOs) accounted for 7%, private firms 5%, parastatals 3%, and universities and other providers 2% each (Swanson, Farmer, & Bahal, 1990, cited in Umali-Deininger, 1997). As these government institutions were dismantled, some functions were left unaddressed and underfunded. Brazil and Mexico initially reduced attention to agricultural extension (a move that was later reversed) (Akiyama, 2001), and public sector agencies in general suffered due to more restricted funds given reforms to coffee levies (Varangis, Siegel, Giovanucci, & Lewin, 2003). Although there were strong arguments for the privatization of certain agricultural extension services (Anderson & Feder, 2004; Umali-Deininger, 1997), the parts reliant on public support were often neglected, which is a serious issue for many farmers in developing countries (Rivera & Cary, 1997).

These processes of liberalization and privatization occurred as the certification programs discussed below began to form. The collapse of the ICA also marked a shift in governance power from an intergovernmental forum to the market, where concentrated interests in the roasting sector began to dictate the terms of international trade. One consequence was that a smaller proportion of the total coffee income was captured by producing countries and their farmers, and more was captured by roasters in consuming countries (Daviron & Ponte, 2005; Ponte, 2002; Talbot, 2004). These trends and the remnants of the international coffee regulatory structures need to be considered when assessing the governance functions certification has served and may serve in the future.

**Emergence of Coffee Certification**

Coffee certification emerged from several starting points and with the support of varied public and private organizations. As with other sectors, certification’s appeal stemmed...
in part from growing support for efforts to empower individual consumers with information about the ethical facets of the products they consumed. Boycotts, often promoted during the 1980s,7 were followed by tools, such as environmental labeling and corporate-ranking projects (Marlin, Schorsch, Swaab, & Will, 1991; Vallely & McElvoy, 1989), which were designed to guide consumers toward ethically sound purchases.

For coffee, certification and labeling were first adopted by organizations promoting organic agricultural practices and fairer terms of international trade (Table 1). The first organic farm—Finca Irlanda in Chiapas, Mexico—began using biodynamic farming (a form of organic practices) in 1928, and it was certified organic in 1967 by Demeter, a German organic certifier (Giovannucci & Koekoek, 2003). It took until the 1980s, however, for a shift to organic practices to gain wider support and until 1995 for the International Federation of Organic Agriculture Movements, the group coordinating and promoting organic practices internationally, to adopt a standard for organic coffee (Linton, 2004).

Fair trade moved to adopt certification beginning with the work of the Max Havelaar Foundation in the Netherlands. The fair trade movement had a long history working to advance the livelihoods of small farmers through a network of alternative trade organizations and world shops (Fridell, 2004, 2007). The early focus was the sale of handicrafts, but in 1973 the Dutch Fair Trade Organisation began selling fairly traded coffee from a Guatemala cooperative. Then, in 1979, Traidcraft established as a U.K.-based, fair trade mail-order business (Hockerts, 2005); coffee and tea were first included in its catalog in 1980.8 Discussions about a label began in 1986 and involved collaboration between the Mexican coffee cooperative Union of Indigenous Communities in the Isthmus (UCIRI)9 and Solidaridad, a Dutch development aid, nonprofit organization (Jaffee, 2007; Kochen, 2003; UCIRI, 2005).10 The label (and the Max Havelaar Foundation) formed to offer UCIRI an alternative market channel. This alternative would circumvent coffee middlemen and ensure more coffee could be exported under fair trade terms than was possible through existing alternative trade organizations (Jaffee, 2007; Renard, 2003). Companies that wanted to use the label needed to pay farmers the fair trade price and offer preharvest finance (Carpio, 1993; Renard, 2003).

The labeling idea quickly spread. Initiatives in Belgium and the United Kingdom formed in 1991.11 A year later Switzerland followed, and by 1994 France and Denmark were involved (Bird & Hughes, 1997).12 Groups, such as Oxfam, and existing alternative trade organizations, including Traidcraft, were important to the formation of these organizations, spreading the idea of labeling and also providing start-up funds (Auld, 2009). By 1997, there were 14 national fair trade labeling initiatives (Linton, Liou, & Shaw, 2004), which spurred interest in an international body to better coordinate their respective activities. In the spring of 1997, the Fairtrade Labelling Organizations International (FLO) was formed for this purpose (Raynolds, 2000).

Beyond these efforts, certification also formed as a response to and a furtherance of fair trade and organic initiatives. In particular, there were growing concerns about land-use patterns in the tropics, particularly as they related to tropical forest loss (see, e.g., Dudley, Jeanrenaud, & Sullivan, 1995; Myers, 1984; Poore, 2003; Poore &
International Tropical Timber Organization, 1989). Out of this grew broader concerns about the ecological implications of agricultural practices (Rice & Ward, 1996). This led to a number of efforts to raise awareness about and set standards for sustainable coffee production. The earliest such effort came in 1987 when the Fundacion Interamericana de Investigacion Tropical (FIIT), a group based in Guatemala, began developing criteria for shade-grown coffee production (Rainforest Alliance, 1998; Rice & McLean, 1999). In the same year, a U.S. nonprofit, the Rainforest Alliance, had just formed to promote tropical forest conservation and had secured funds to work on a certification program (Taylor & Scharlin, 2004). Certification for agricultural crops in tropical countries was a logical extension of the group’s work creating standards for well-managed tropical forests and its 1990 certification of an Indonesian teak plantation (Elliott, 2005; Elliott & Donovan, 1996; Synnott, 2005). Starting in 1991, the

### Table 1. Characteristics of Coffee Certification Initiatives

<table>
<thead>
<tr>
<th>Programs</th>
<th>Initiated</th>
<th>First coffee certification</th>
<th>Focus of standards</th>
<th>Uptake</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFOAM</td>
<td>1972</td>
<td>1967</td>
<td>Initially environmental impacts of coffee production (emphasis on soil conservation); added social issues later</td>
<td>324,000 ha certified by 2005 (~1.2% of world production)</td>
</tr>
<tr>
<td>Utz</td>
<td>1997</td>
<td>1999</td>
<td>Good coffee practices, including food safety quality control, environment, and human health</td>
<td>65,000 metric tons certified by 2008 (~0.8% of world production)</td>
</tr>
<tr>
<td>RA</td>
<td>1987</td>
<td>1996</td>
<td>Ecological, social, and environmental impacts of coffee production</td>
<td>45,400 metric tons certified by 2007 (~0.6% of world production)</td>
</tr>
<tr>
<td>SMBC</td>
<td>1990</td>
<td>1997</td>
<td>Impacts of coffee production on tropical forest ecosystems</td>
<td>3,000 metric tons certified by 2007 (~0.04% of world production)</td>
</tr>
<tr>
<td>FLO</td>
<td>1997</td>
<td>1989</td>
<td>Initially economic and social development for small cooperatives; added environmental issues later</td>
<td>62,219 metric tons certified by 2007 (or 0.9% of world production)</td>
</tr>
<tr>
<td>4C</td>
<td>2006</td>
<td>2007</td>
<td>Continual improvement, elimination of worst environmental and social practices</td>
<td>459,100 metric tons certified by March 2009 (~6% of world production)</td>
</tr>
</tbody>
</table>

Note: IFOAM = International Federation of Organic Agriculture Movements; Utz = Utz Certified (formerly Utz Kapeh); RA = Rainforest Alliance; SMBC = Smithsonian Migratory Bird Center; FLO = Fairtrade Labelling Organization; 4C = Common Code for the Coffee Community.
group partnered with Latin American NGOs, including the FIIT, to create the ECO-OK program with the aim of certifying products whose normal means of extraction or production degraded tropical forest ecosystems (Environmental Protection Agency, 1998). The first banana plantation was certified in 1993 (Wille, 2004b). Attention to coffee followed. Starting in 1994, the Rainforest Alliance and partners began developing a program for certifying responsible coffee production, which addressed ecological, social, and environmental considerations in farm management practices (Rice & McLean, 1999; Taylor & Scharlin, 2004). The first coffee plantation was certified in 1996 (Rainforest Alliance, 1997; Wille, 2004a).

With a similar focus, but developing independently, in November 1990, the U.S. Congress established the Smithsonian Migratory Bird Center (SMBC) as an effort to address the conservation of neotropical migratory birds (Luxner, 1996). In 1996, the center helped organize the Sustainable Coffee Congress—a conference on sustainable coffee production—which spurred the SMBC’s subsequent work on shade standards for coffee production that could be audited to facilitate the sale of bird-friendly coffee in the U.S. market (Luxner, 1996; SMBC, 2001). The first SMBC bird-friendly coffee was certified in 1997 (Rice & McLean, 1999).

After this, two additional certification initiatives formed with more direct industry participation. The first stemmed from work of a consortium of European retailers that launched EUREP-GAP in 1997 (Konefal, Mascarenhas, & Hatanaka, 2005). The initiative was designed to delineate broadly accepted good agricultural practices (GAP), in response to food-safety scares that occurred in the mid-1990s (Fuchs, Kalfagianni, & Arentsen, 2009). At the same time, Ahold (a Dutch-based supermarket and food-service conglomerate) collaborated with a Guatemalan coffee producer and launched a sustainable coffee program—Utz Kapeh now known as Utz Certified (Dicum & Luttinger, 1999; Giovannucci & Ponte, 2005; Linton, 2004; Ponte, 2004). Two years later Utz Kapeh officially formed, creating an office in Guatemala and using the EUREP-GAP code as a benchmark for its coffee standard (Rosenberg, 2003).

The second initiative aimed to improve performance across the coffee sector. Starting in 2002, the German parliamentary secretary of state proposed a sectorwide sustainability initiative to an International Coffee Organization (ICO) meeting in London. The ensuing process was named the Common Code for the Coffee Community or 4C process. It began as a collaboration of the German Coffee Association and the German Development Corporation (Ponte, 2004; Specialty Coffee Association of America, 2005), with additional cooperation of farmers, industry, trade unions, and NGOs (Luttinger & Dicum, 2006). The 4C process aimed to develop standards for coffee production, processing, and marketing to ensure their environmental and social appropriateness. It became an association in December 2006 and has producers, roasters, and civil society groups as members. The initiative does not have on-product label, but it does include third-party verifications, paid for by members.
Assessing Certification as Governance

The trend toward certification and labeling represents a success to some and a source of concern for others. These perspectives are explored below by examining the direct effects and broader consequences of certification as governance to understand what has been accomplished to date and where things are headed.

Direct effects

Recent numbers for the different programs underline that coffee certification writ large still remains a small direct force in the sector (Table 1). By 2007, FLO had certified 62,219 metric tons (62.2 million kg) of green coffee, which represented approximately 0.9% of the world coffee production using 2007 production values. Overall, by 2005, an estimated 324,000 ha of coffee farms around the world were grown as organic, with nearly half of this area in Mexico (~150,000 ha), and organic coffee’s share of the world market had reached approximately 1.2% (Baraibar, 2006).

With the SMBC bird-friendly program, by 2007, 28 farmer cooperatives (with approximately 7,000 ha of production) were certified with output totaling around 3.0 million kg of green coffee (SMBC, 2008). The SMBC requires growers to also be organic certified, and growers are frequently both organic and fair trade certified, meaning that there is some overlap in the numbers just presented.

The Rainforest Alliance, by 2006, had certified 24.9 million kg of coffee, with projections to reach 45.4 million kg in 2007. This is equivalent to 0.6% of world coffee production using 2007 figures. By March 2009, the 4C process had verified 8,251,323 bags (60 kilos each; 459.1 million kg), which represents a little above 6% of world coffee production using 2008 production values. Utz reported sales of 65 million kg of green coffee in 2008 or 0.8% of world production for 2008.

Research assessing the impacts of coffee certification for each of these programs is still nascent, with much of the existing research comprising qualitative case studies. This body of work finds that although there are clearly benefits for participants, the picture is not black and white (Le Mare, 2008). In a recent pilot study conducted by the Committee on Sustainability Assessment (COSA), a survey of 51 farms in six countries found 75% of participants felt certification with one or more of the above-noted programs improved their overall condition; 90% indicated they were likely or very likely to continue with certification (Giovannucci & Potts, 2008). Though based on a limited sample, the results suggest that participants are finding subjectively defined benefits from certification.

Other research corroborates these general findings, while also identifying nuances across programs. With fair trade and organics, research documents some positive impacts. In the Mexican villages of Teotlasco and Yagavila, Jaffee (2007) examined the benefits available to members of the communities’ organic-certification cooperative, Michiza, during the 2002/2003 coffee season. Although very few growers had positive net income, Jaffee explains that coffee production was more profitable for
cooperative members compared to other growers. Cooperative members also invested more in their children’s education and the quality of their homes, and they were less likely to carry substantial debt (see also Bacon, Méndez, Gómez, Stuart, & Flores, 2008; Utting-Chamorro, 2005). Bacon, Méndez, Gómez, et al. (2008) reported findings from a survey of 177 farmers in Nicaragua (101 of which were in a fair trade cooperative, 15 were organic certified, and 61 sold via conventional markets) conducted in summer 2006 that indicated higher educational attainment within fair trade cooperatives compared to non–fair trade cooperatives. Still, they cautioned that studies in Guatemala, Peru, El Salvador, and Mexico had not found similar differences. The fair trade cooperatives they studied also had better access to preharvest finance. Through another survey in Nicaragua of 228 farmers in 2001 (180 of which had organic, fair trade or bird-friendly certification), Bacon (2005, 2008) found that participation reduced exposure to low prices, giving farmers a greater sense of security. Nevertheless, almost three fourths of the surveyed farmers felt their quality of life had declined in recent years, suggesting that higher incomes were not enough to offset other challenges.

Beyond the individual cooperative members, Jaffee (2007) added that high labor demands of organic coffee production techniques altered the local labor market, increasing employment opportunities for other community members (cf. Mutersbaugh, 2002; Utting-Chamorro, 2005). In this respect, there were positive spillovers beyond the benefits accrued by the participating farmers. Nicaraguan producer organizations participating in fair trade also promoted improved coffee quality, investing in cupping laboratory facilities and entering and winning international cup-of-excellence competitions (Utting-Chamorro, 2005). The COSA survey, by contrast, found limited indications of clear community-wide effects of certification (Giovannucci & Potts, 2008), and Utting-Chamorro (2005) cautioned that farmers were often unsure how fair trade’s social premium was being spent in their community.

Ecological and environmental benefits are another aim for certification. With the Rainforest Alliance, for instance, the Global Environment Facility (GEF) supported a project begun in 1998 to promote shade-grown coffee practices around El Imposible and Los Volcanes protected areas in El Salvador. Working with PROCAFE, the project facilitated the certification of 44 farmers and had another 180 in the process of certification by the end of 2002 (GEF, 2002). Similar to the social and economic impacts of certification, researchers find that the ecological outcomes vary (Guardarrama-Zugasti, 2008; Westphal, 2008). An assessment of coffee cultivation techniques on a spectrum from rustic to shaded monoculture production conducted by Mas and Dietsch (2004) identified the different thresholds at which various standards defined shade-grown coffee and related these to avian and butterfly diversity on coffee farms. The Mexican Shade Coffee program and the SMBC’s bird-friendly program were the most stringent, accepting only coffee farms with appreciable levels of shade. The Specialty Coffee Association of America’s standard and the Rainforest Alliance program were more inclusive, but still both disqualified shaded monoculture production. With bird and butterfly species richness, the results suggest that shade is better for both, although the authors were careful to note that the study’s limited geographic scope make the
findings harder to generalize. Certainly, the idea that shade enhances bird habitat has been widely discussed as a motive for promoting these practices (Greenberg, Bichier, Angon, & Reitsma, 1997; Perfecto, Rice, Greenberg, & VanderVoort, 1996) and has led researchers to advocate triple certification, that is, fair trade, organics, and shade grown (Philpott, Bichier, Rice, & Greenberg, 2007). Yet research examining coffee expansion in Indonesia notes that where there is no history of shade-grown coffee, other approaches will be necessary to guarantee protection of biodiversity concurrent with expanded coffee production (Kinnaird, Sanderson, O’Brien, Wibisono, & Woolmer, 2003; O’Brien & Kinnaird, 2003).

Although these direct ecological benefits stand out, and fair trade and organic certification do provide higher prices for growers, there are also downsides of certification that research has uncovered. First, producer organizations that seek fair trade certification can have outstanding debts, which means less of the fair trade price reaches farmers (Utting-Chamorro, 2005). Second, the fair trade price premium has not kept pace with inflation and growing production costs (Bacon, Méndez, Gliessman, et al., 2008). And even though FLO recently increased the minimum price by 7% to 11%, it is still unclear whether fair trade labeling can continue to advance the interests of smallholders without more substantial changes to FLO’s governance that would give greater voice to producers (Bacon, 2010). Moreover, it is not clear that one fair trade minimum price is appropriate in all coffee regions as growers’ production costs and needs vary (Jaffee, 2007). Finally, price fluctuations in the market pose challenges for maintaining the commitment of growers to fair trade market channels when prices rise (Beekman, 1998; Jaffee, 2007).

This focus on compensation is important for several reasons. First, many small growers who practice low-intensity management often receive no compensation for the ecological benefits they provide (Bacon, Méndez, Gómez, et al., 2008; Mendez, 2008). These conservation benefits may, in other words, quickly vanish when and if growers find better livelihood options. Second, according to some, continuing organic practices or shade-production strategies decrease yields and increase production costs compared to conventional farming strategies. A review by van der Vossen (2005), for instance, questions the sustainability of organic practices in situations where growers do not have readily available access to large quantities of inexpensive organic fertilizers. Without these, van der Vossen (2005) suggests that soils will quickly lose their ability to supply sufficient levels of nitrogen and potassium to sustain commercially competitive yields (~1 metric ton green coffee per ha per year). Although there are instances where organic practices generate yields near to those from conventional practices and generate ecological benefits simultaneously (i.e., deeper leaf litter and humus layers, reduced soil erosion and greater retention of shade trees) (cf. Martínez-Torres, 2008), van der Vossen argues that the premium paid to such growers will not offset increased production costs. Mutersbaugh (2002) adds that the requirements of certification assessments have raised compliance costs even further. Compensation matters, in other words, and is an even greater concern given that other programs do not explicitly require premiums.
Rather, market supply and demand, among other considerations, such as quality, determine the premium growers receive (Daviron & Ponte, 2005; Muradian & Pelupessy, 2005).

A second area of concern has to do with the subtle impact certifications can have on the social customs and practices of communities. Although benefits do accrue to communities, as noted above, Mutersbaugh (2008) explores how standards-based assessments that use local farmers as on-the-ground guarantors of a cooperative’s compliance with organic requirements can undermine certain customary practices in the community. For instance, in Oaxaca, Mexico, community members perform free service work, termed cargo, for the community, the quality of which is judged by the community. Yet when these individuals apply to work as representatives of the certifier to verify the compliance of community members, their performance becomes subject to the performance standards of the certifier. If they perform poorly in this role, as judged by the certifier, this can undermine their personal commitment to the mission of organic farming and alter the determination of personal worth within the community context. Thus, Mutersbaugh warns, gains from standardization may also undermine the longer term potential of the organic agriculture’s social movement foundations by alienating farmers and altering social customs in communities (see also Mutersbaugh, 2002; Scott et al., 2009).

Finally, as with other sectors where voluntary certification initiatives have developed (Auld, Gulbrandsen, & McDermott, 2008), there are concerns about whether the participants are the growers that require the greatest assistance. Even though, with coffee, fair trade consciously chose to focus on small cooperatives and not certify larger plantations (Renard, 2003), questions still exist about whether participating growers are those requiring the most assistance (Taylor, 2005). Bray, Sanchez, and Murphy (2008), for instance, suggest that Mexico has gained its now dominant position in the organic market because of “pre-existing ‘social capital accumulation’ in the Mexican countryside” (p. 238; cf. Martínez-Torres, 2008; Mutersbaugh, 2002, 2005; Nigh, 1997). Mas and Dietsch (2004) also explain how Mexican growers are in a unique position to be market leaders in shade-grown coffee due to the more limited conversion to full-sun production than key competitors such as Brazil and Colombia.

Overall, Bray et al. (2008) question whether organics and shade-grown certification can provide environmental and economic benefits simultaneously. First, in spite of premiums for certified coffee, farmers’ have been subsidized to help cover certification costs. Likewise, communities analyzed by Jaffee received state subsidies, and the above-noted GEF project was important for covering certification costs in El Salvador (GEF, 2002). Second, in Chiapas, coffee is generally produced at elevations too low to generate the highest quality grades. Although these producers are generating conservation benefits from shade, shifting to other crops might yield higher profits. This raises important questions about how certification systems and proponents of sustainable agricultural practices deal with land-use decisions that involve more than a single crop and what this implies for potential trade-offs between the welfare of farmers and conservation objectives advanced promoting shade-grown coffee (see Bitzer et al., 2008).
Despite these concerns, coffee certification has spread across many more countries than one might expect (Figure 1). In December 2008, FLO had recognized 279 coffee producer organizations from 27 countries, with 229 in Latin America (82%), 33 in Africa (12%), and 17 in Asia (6%). With the exception of organics, FLO has certified operations in the broadest range of countries and has certified growers in a number of least developed countries (LDCs), including Ethiopia (40,325 farmers), Haiti (28,968 farmers), Rwanda (10,916 farmers), Tanzania (3,321 farmers), and Uganda (2,950 farmers), among others (Giovannucci, Lui, & Byers, 2008). With organics, in 2005, an estimated 324,000 ha of coffee were certified organic; about half of this area is in Mexico (~150,000 ha; Baraibar, 2006). Still, organic coffee is grown in 38 countries (Giovannucci et al., 2008), and as with fair trade, many growers in LDCs are involved; for instance, 18,135 ha of Ugandan organic coffee production had been certified as of 2004 (Baraibar, 2006).

Utz and the Rainforest Alliance have also certified many operations in Latin America. Of the 383 producer groups Utz certified as of 2008, 294 (or 77%) were based in Latin
America, 54 (or 14%) in Africa, and 35 (or 9%) in Asia.33 With the Rainforest Alliance, 504 out of a total of 520 producers (or 97%) were based in Latin America; another 11 (or 2%) were Asian and just 5 (1%) were African.34 Although Brazil only has 34 producers certified with the program, these are relatively large operations, and as of 2006, they comprised the largest supplier of the program’s certified coffee (Giovannucci et al., 2008). Utz is one of the only programs to certify larger areas of Robusta production (Giovannucci et al., 2008).

These trends suggest a number of reasons why certification establishes a foothold in some countries and not in others. In the case of small farmer cooperatives, for instance, capacities at the community level and links to international information structures matter in determining whether growers will be able to participate in private certification (Bray et al., 2008; Mutersbaugh, 2002; Nigh, 1997). Still, the standards can create entry barriers that tend to exclude the poorest growers: those that face the steepest learning curve and lack financial resources and support from state extension services (Giovannucci & Ponte, 2005).

**Broader Consequences**

Certification has also had broader consequences for the coffee sector. Four considerations stand out: heightened public awareness, shifting practices among mainstream companies, continual innovation within fair trade and organic social movements, and growing links to intergovernmental processes. As noted at the outset, these need to be considered in relation to the heightened political and economic power of roasters, the processes of liberalization and privatization that have taken place in the past two decades, and what remains of the international coffee regulatory structures. Taking this perspective shows that certification is part of a dynamic set of interactions that may have more potential than certification assessed on its own.

First, among the most notable broader implication of certification is the growth of public awareness about fair trade and organics. Since the mid-1990s, the European Fair Trade Association has reported data on public awareness of fair trade within European countries. By 2004, public awareness of the fair trade label was reported at 63% in Luxembourg, 50% in the United Kingdom, 44% in Ireland, and 39% in Sweden (Krier, 2005). A more recent phone survey from 2008 found 48% of Canadian respondents and 36% of U.S. respondents were somewhat or very familiar with the fair trade label. The same survey found 71% of Canadians and 62% of Americans were somewhat or very familiar with organic labels (Feinberg, Leiserowitz, Auld, & Cashore, 2008). In Scotland, in-person surveys of school pupils conducted in 2007 found 68% of participants claimed to know something about the fair trade label when it was presented to them by the interviewer; 38% said they knew quite a bit about what the label meant.35 A year earlier, an in-person survey of the general public in Scotland found slightly lower levels of awareness: 64% indicated some knowledge; 24% indicated quite a lot of knowledge.36 Altogether, this indicates that fair trade and organics have done well to raise awareness among citizens, and a part of this can be attributed to the initiation of labeling.
Second, activities of the broader coffee industry partly reflect the increased awareness among consumers. However, they also reflect the decline in services offered to growers to improve farming practices, enhance quality, build capacity, and improve market access. Not surprisingly, many private–private and public–private partnerships in the coffee sector focus narrowly on farm-level issues important to roasting and retail interests (e.g., improved quality) as opposed to those more germane to producers (e.g., crop diversification) or for addressing sectorwide challenges (e.g., over production) (Bitzer et al., 2008). Moreover, they remain available to a small segment of the overall coffee sector. Skeptics generally underscore the limited volumes the major roasters, such as Kraft, Nestlé, and Procter and Gamble, have thus far sourced from certification as indicating a weak commitment (Muradian & Pelupessy, 2005) or that there is so much further to go in promoting corporate social responsibility (Panhuysen & Weiligmann, 2006). However, there are some companies that are continuing to expand their efforts to source ethically; for instance, Starbucks bought 65% of its green coffee from growers verified to meet its Coffee and Farmer Equity (CAFE) Practices in the 2007 fiscal year. It is also working with Scientific Certification Systems to improve the verification of adherence to these practices. The company hopes to procure 80% of its green coffee from complying farmers by 2013 (Starbucks, 2008). Yet, even with this program, farmers’ interests are often secondary. Starbucks is clear that only growers meeting its quality standards are eligible. Moreover, meeting CAFE practices means different things. Only a third of participating growers complied with greater than 80% of the social and environmental indicators, a third complied with between 60% and 80%, and a final third complied with less than 60%. Still, those with greater than 80% compliance grew by 50% over 2006, indicating that improvements are being made (Starbucks, 2008).

In this respect, it may be too early to tell where these developments will lead. Indeed, the Common Code for the Coffee Community or 4C process, as discussed above, represents an effort with potential for broad effects. Although membership has fluctuated, before its formal launch, analysts noted that if fully implemented, it could affect the behavior of 80% of the coffee sector (Muradian & Pelupessy, 2005). It already has participation from about 6% of green coffee production. In addition, an ongoing GEF-funded project worth nearly US$95 million (GEF contributed nearly US$13 million) commenced in 2006 aims to increase areas of Rainforest Alliance–certified coffee production in Brazil, Colombia, El Salvador, Guatemala, Honduras, and Peru by 15 times between 2006 and 2013, lifting the area certified to 1.5 million hectares in these countries (or 10% of the world’s productive coffee area). The project also aims to build demand, through partnerships with Kraft and other companies, in the hopes of extending the Rainforest Alliance sales to upwards of 300,000 retail outlets with a total penetration of 10% of global market volumes (GEF, 2006).

Third, just as the mainstream coffee industry is adopting certification, those in the fair trade and organic agriculture movements continue to innovate. The World Fair Trade Organization (formerly IFAT) has developed a label for Fair Trade Organizations to communicate their full commitment to fair trade principles (IFAT, 2008).
Other organizations, as well, are creating new methods to connect consumers to growers in an effort to lessen the distance between them and foster mutual understanding, support, and solidarity (Fridell, 2007; Jaffe & Bacon, 2008). Certain companies are also pushing the envelope, highlighting how their own practices surpass what is required of any existing certification program, and on their own initiative, seeking external verification of their claims (Sustainable Food News, 2007). Rogers Family Company posts independent ecological assessments of the coffee farms from which it sources coffee in Mexico and Nicaragua. The company also highlights the community development projects they have worked on in cooperation with growers.

Another example is Cooperative Coffees—a group of independent roasters in the United States and Canada, including companies such as Peace Coffee, Higher Ground, Café Campesino, and others—that has developed an initiative “fair trade proof,” which commits the members to extending fair trade principles through full supply chain transparency. On the Web site, one can trace the transactions from farm contract through to the roaster delivery for a given roaster. In the discussion of the direct effects of certification, it was clear that certification programs struggle to account for the great diversity of production systems and social contexts by which and in which coffee is grown. Hence, there is no reason to believe that certification has determined the best institutional solution to all the problems in the coffee sector in its current form. The innovative dynamism of the above companies, NGOs, and others may, therefore, be a great strength that will enable constant adaptation and learning to improve efforts to govern going forward.

Finally, potentially useful linkages between the field of private initiatives and those of government are becoming more apparent. First, the 2007 ICA explicitly notes, for the first time, the importance of sustainability. It also includes provisions increasing its openness to participation of nonmember states and other actors and calls for the development of a coffee financing forum, which is to include stakeholders such as international organizations, financial institutions, NGOs, nonmember countries, and other interests with coffee expertise (Potts, 2008). Together, these changes may facilitate a much tighter synergy between private and public efforts. Indeed, the Sustainable Coffee Partnership, whose steering committee comprises coffee trade and producer associations, international organizations, NGOs, and the 4C association, has been engaged in dialogue with ICO to determine what role it might play in implementing the 2007 ICA (International Coffee Council, 2008). The Sustainable Coffee Partnership has also been facilitating the development of the Sustainable Commodity Assistance Network, which seeks to provide a framework for international cooperation around training and support for commodity producers and cooperatives, recognizing this as a key gap in the existing efforts of governments and certification initiatives (Sustainable Commodities Initiative & Commodity Support Network, 2008).

Thus, rather than have government step in to regulate the sustainable coffee market, as earlier advocated by some (Renard, 2003), there seems to be an emerging understanding that private and public efforts may work best together. A middle-ground perspective on the state sees it weeding out the bottom. Raynolds et al. (2007) explain,
The vulnerability of private initiatives to market pressures highlights the need for strong public regulations that hold the bar on social and environmental conditions. For private initiatives to have the greatest impact they should raise the bar—providing that more socially and environmentally sustainable production is possible and desirable (p.160).

In this view, each of the four points noted above can work together to potentially facilitate better governance of the coffee sector. Fair trade and organic labels have helped raise general awareness placing sustainability concerns on the agenda of the mainstream industry. Some lead companies and those most exposed to pressure have acted on their own, and now the 4C process seeks to raise the standard industry wide. The ICO’s attention to sustainability just reinforces this pattern. Finally, as Raynolds et al. (2007) suggest, private certification initiatives such as fair trade and organics can continue to raise the bar. This would not only involve continued work to improve the social and environmental standards but also should include continued attention to governance improvements such as transparency and inclusiveness (Bacon, 2010). Outside pressure from the World Fair Trade Organization through its new label for fair trade organizations and from proactive companies that go beyond requirements of existing labels offer an additional source of innovation and a reservoir of ideas for future adaptation and change.

Conclusions: Certification and the Future

In examining the broad spectrum of certification initiatives and relating them to changes over time, and the ongoing interactions with government and intergovernmental processes, this article sought to expand the scope of considerations in thinking about the governance potential of certification. A couple of critical issues emerge.

First, a potentially useful dynamic is forming between the two existing levels of certification. Fair trade, organics, and the SMBC bird-friendly initiatives all prescribe stringent standards and have successfully created a toehold of support within the mainstream market. The Rainforest Alliance, Utz, and the 4C process, by contrast, seek to generate wider support for less stringent standards and hence extend the reach and applicability of coffee certification. Although concerns for consumer confusion and downward pressure on standards arising from competition are real, it appears there is a better chance for these two levels to work synergistically in coffee than in many other sectors. This is principally because of the higher level of public awareness of fair trade and organics (Fairtrade Labelling Organization, 2009; Feinberg et al., 2008), which may mean these efforts can continue to differentiate themselves from later developing programs and hence maintain an upward pressure on standards. For this to work as a governance mechanism, the high bar standards will have to continue pushing for higher standards via its alternative trade organizations, fair trade companies, and other innovative programs, while programs such as the 4C process, under pressure to aspire for more, will do the best they can to improve the practices of the wider industry.
Second, assessing the governance potential of certification requires examining how the relationships between formal and informal processes within the new governance arena work synergistically or at cross-purposes to propel or undermine ongoing improvements in environmental and social practices. Existing research shows that certification programs alone struggle to account for the great diversity of production systems and social contexts by which and in which coffee is grown. This implies that the innovative dynamism of certain companies and NGOs can help enable constant adaptation and learning to improve efforts to govern going forward. Understanding certification’s potential, therefore, requires considering it along with other private and government-led policy initiatives addressing challenges in the coffee sector.

Improvements are by no means guaranteed. The uptake of certification thus far is small as a percentage of world coffee production. The economic and political power of coffee roasters and coffee traders may, in the end, debilitate the advances possible through certification, limiting the extent to which coffee farmers are politically and economically empowered. Potent arguments exist for a return to government intervention and mandatory requirements. This perspective sees voluntarism as certifications’ fatal flaw. Yet, under the ICA regime, when a greater proportion of coffee income stayed in producing countries, there were equally valid concerns raised about whether small coffee farmers were the ultimate beneficiaries of these profits, concerns that partly spurred interest in fair trade. In addition, environmental sustainability and food safety are part of an expanded set of issues confronting the sector. In this respect, future research should consider how a broad array of action—certification, company, NGO, and government initiatives alike—might fruitfully intersect to help improve the economic livelihoods of farmers and the sustainability of farming practices.

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Notes

1. This conundrum is not restricted to fair trade. Similar conflicts surround the mainstreaming efforts in organic agriculture (cf. Guthman, 2004; Mutersbaugh, 2005; Raynolds, 2000). Indeed, the debates exemplify wider contestation over the institutionalization of informal processes of resistance and protest (cf. Gottlieb, 1993).
2. This approach follows work in public policy that focuses on the importance of assessing policy baskets (cf. Gunningham & Grabosky, 1998) and work in sociology that examines the emergence and influence of field-level processes for social change (cf. Hoffman, 2001).

3. The interwar period had underlined the destructive results of protectionism and domestic economic crises and hence led to an interest in international market regulation to foster more lasting stability (Bilder, 1963; Hemmi, 1964).

4. Originally, there was a single indicator price. However, because this created incentives for certain growers to produce more in the hopes of influencing the price, the International Coffee Organization (ICO) developed indicator prices for each of the four main coffee grades: Robusta, Mild Colombia, Other Milds, and Natural Arabica (Bates, 1997).

5. Membership included the main producing and consuming countries. The producer countries that negotiated the original agreement represented about 95% of the world’s green coffee production in 1962. In the same year, the 25 or so consuming-country members imported about 92% of the world’s total exports. These numbers are based on production data from Food and Agriculture Organization (2007) and membership data from the ICO (http://www.ico.org).


7. Though boycotts had been employed well before the 1980s (Friedman, 1999), the decade saw much greater activity. For instance, in 1984, in the United States, Todd Putnam, a Seattle resident, began publishing a biannual newsletter—the National Boycott News—to track and disseminate information about organized boycotts (Conklin, 1991).


9. Union of Indigenous Communities of the Isthmus Region.


11. http://www.fairtrade.org.uk/about_us.htm


14. Notably, the Rainforest Alliance also formed out of concern over the limits of boycotts. The group’s founders felt boycotts did not solve underlying problems of timber harvesting and agricultural production in the tropics (Wille, 2004b).

15. Standards cover provisions to protect farm and surrounding ecosystems (including provisions for maintaining shade where appropriate), conserve wildlife and their habitat; ensure fair treatment and good working conditions for employees, consider and address community interests in farm area and provide support to community development, seek to use integrated pest management approaches, use appropriate waste management (including reuse and recycling where possible), conserve water and soil resources, and have systems for planning and monitoring (Sustainable Agriculture Network, 2002).

16. http://www.eurepgap.org/Languages/English/about.html


21. Verification is conducted by Common Code for the Coffee Community (4C) units, defined as the quantity of coffee needed to fill a shipping container. Any individual or group of operators can be assessed as a unit.


23. Total production in 2007 was 116,212,000 bags (60 kg), which is equivalent to 6,972,720,000 kg (http://www.ico.org/prices/po.htm).


25. Total production in 2007 was 116,212,000 bags (60 kg), which is equivalent to 6,972,720,000 kg (http://www.ico.org/prices/po.htm).


27. Total production in 2008 was 134,163,000 bags (60 kg), which is equivalent to 8,049,780,000 kg (http://www.ico.org/prices/po.htm).


29. Total production in 2008 was 134,163,000 bags (60 kg), which is equivalent to 8,049,780,000 kg (http://www.ico.org/prices/po.htm).

30. The assessment included fair trade, organics, Rainforest Alliance, UTZ CERTIFIED, 4C, and Starbucks CAFE (Coffee and Farmer Equity) practices.

31. This was part of a larger effort to promote a Mesoamerican Biological Corridor (GEF, 1998, 2002; Kaiser, 2001; Rainforest Alliance, 1999).


References


**Bio**

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