

Social standards in the cut flower value chains connecting the EU with East Africa

PhD. Project by Lone Riisgaard

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Media pressure and NGO campaigns have generated consumer interest in the conditions under which certain items are produced in developing countries. This has led to the growth of interest in corporate social responsibility and ethical sourcing, particularly amongst European retailers – many of which now have their own standards and monitoring procedures (Blowfield 1999, Dolan & Humphrey 2000).

But what are the actual consequences for developing countries of initiatives that are typically driven by the North and do not often lend themselves to participation by Southern stakeholders? The impacts of international social standards on value chain governance and on the options of developing country firms making their way into the world economy have yet been accorded little systematic attention in the literature. Additionally, little is known about the effect these standards have on the local institutions that have traditionally been in charge of protecting workers interests.

Exporting cut flower products from ACP countries to Europe is becoming increasingly restricted due to European regulations and to private or industry-level environmental and social requirements. Driven by the various concerns of consumers, retailers, auctions, European regulators and civil society organizations, flower growers have to comply with a number of standards and codes developed by the major market-brokers, international organizations, national industry associations and multi-stakeholder partnerships (Dolan, Opondo & Smith, 2002). The export of cut flowers from East Africa is an example of a highly codified industry (cut flower producers in Kenya for example in average comply with at least three different social and environmental codes) (Collinson 2001). This project therefore intends to investigate the effects of social standards in the cut flower value chains connecting the EU with East Africa.

Very little is known about how social standards have affected labour organizations. My research seeks to examine the opportunities and challenges that private labour standards pose for worker organizations and at the same time fill a gap in the literature on GVCs by viewing labour as an input with agency. This is achieved by exploring the interplay between social standards and labour organisations in Kenya and Tanzania. The research seeks to explain on one hand how private social standards open opportunities for labour organisations to pursue their own objectives, and on the other hand how labour organisations actually use these standards.

This Ph.d. project furthermore investigates ‘the political economy of private labour standards’ at both the international level and the local level (illustrated by the Kenyan case where four different national standard initiatives are seeking to become the recognised ‘gatekeepers’ of one official Kenyan standard). This line of investigation explores the strategies of different stakeholders (business organisations, trade unions, labour NGOs, government institutions and standard organisations) in their efforts to influence and capture the local/international standard agenda and standard economy in the cut flower industry. It explores competition between different standard initiatives and how they seek to

capture (or defend) market shares through different means such as benchmarking, expansion of standard content, harmonization initiatives and cooperation agreements.

Objectives

This project aims at exploring the implications of social standards for developing country producers, workers and labour organizations, using the cut flower sectors of Kenya and Tanzania as case studies¹. Using a Global Value Chain approach focus is on three specific areas of research;

- 1) outcomes for labour organizations
- 2) standard setting and controlling, focusing on standards governed in developing countries
- 3) impacts of social standards on value chain structure and governance

The objectives of the project are a) to develop the emerging literature on links between value chains and social standards b) to provide empirical data on implications of social standards for developing country producers, workers and labour organizations and c) to assist producers, labour organizations, policy makers and trade facilitation institutions/initiatives by providing relevant information on new welfare related standards.

¹ Kenya is chosen because of its relatively successful adjustment experience, Tanzania because of the serious nature of the challenges that it confronts