Labour Management on Contemporary Kenyan Cut Flower Farms: Foundations of an Industrial–Civic Compromise

LONE RIISGAARD AND PETER GIBBON

This paper describes the labour management system applied since around 2005 on farms accounting for the bulk of the output of the Kenyan cut flower sector, and provides an analysis of the foundations of this system. Using categories drawn from convention theory, this system is characterized in terms of specific approaches to hiring, training and promotion; labour retention; work organization and worker deployment; payment systems and supervision, as well as to collective bargaining. In convention theory terms, the combination of approaches identified in Kenya embodies a mixture of ‘industrial’ and ‘civic’ orientations – in contrast to both more traditional paternalist and unbridled market-oriented ones. The material and political foundations of this ‘industrial–civic compromise’ are explored at length, with particular attention to stabilization of the production system (in the case of industrial elements) and political and demand-side developments (in the case of civic elements). The paper concludes by considering the generalizability of these findings to other large-scale agricultural sectors in developing countries.

Keywords: labour management, large-scale agriculture, Africa, convention theory, cut flowers, Kenya

INTRODUCTION

In the dominant part of the Kenyan cut flower sector, a new (for Africa) system of labour management has developed. This emerged in the early 2000s but has been disseminated widely only since 2005–6. Using the categories developed in convention theory, this system can be characterized as predominantly ‘industrial’ and ‘civic’ in character. This system differs from the system of labour management that traditionally dominated in large-scale agriculture in the former British colonies in Africa, known in the academic literature as ‘paternalism’, ‘domestic government’ or ‘family ideology’. It also differs from the ‘market’-style labour management system the emergence of which is detected by many recent South African and Kenyan studies concerning high-value crops associated with the advance of casualization, labour contracting and ‘flexibilization’ as opposed to secure employment. Moreover, it differs from a recurrent narrative to which academics, NGOs and trade unions have contributed, problematizing labour conditions in this sector. The main concerns have been low wages, dangerous working conditions, forced overtime, gender discrimination, insecure employment and despotic types of supervision.

Lone Riisgaard, Roskilde University. Universitetsvej 1, P.O. Box 260, DK–4000 Roskilde, Denmark. Corresponding author: E-mail: loner@ruc.dk. Peter Gibbon, Danish Institute for International Studies and University of Manchester, Strandgade 56 – 1401 København, Denmark. E-mail: pgi@diis.dk

Acknowledgement is given to the anonymous reviewers.

© 2014 John Wiley & Sons Ltd doi: 10.1111/joac.12064
2 Lone Riisgaard and Peter Gibbon

The characteristics of the new system of labour management emerging in cut flowers are discussed in detail in Gibbon and Riisgaard (2014). In short, however, for the ‘dominant’ part of the industry – a term that will be defined – the picture is one of a norm of secure employment (including permanent contracts and freedom from arbitrary dismissal); freedom of association; application of nationally negotiated wage rates; improved observance of health and safety standards; provision of maternity leave and special provisions for pregnant and nursing mothers; and restrictions on overtime. These features are found together with scientific planning of work, rule-based payment systems and relatively flat forms of supervision.

In this paper, we go beyond the traditional convention theory tradition of describing how conventions manifest themselves to asking why certain conventions prevail in a specific context at a specific point in time. We do this by analysing the factors responsible for the development of the labour management system identified in Kenyan cut flowers and, furthermore, by theoretically developing the analysis of the conditions under which certain conventions, and more specifically certain combinations of conventions, can possibly emerge and actually become dominant. Based on the analysis conducted, we argue that prior stabilization of an industrial convention is a precondition for civic elements to be stabilized – provided that there is appropriate political pressure.

The paper’s next section outlines convention theory, critically engages with its approach to labour management conventions and presents our elaboration of the ‘domestic’, ‘industrial’, ‘market’ and ‘civic’ conventions applied to labour management. Furthermore, this section develops the convention theory discussion of compatibility/’compromises’ between conventions. The paper’s third section provides a summary of which of the conventions we found to be applied in Kenyan cut flowers in 2011, arguing that these constitute an industrial–civic compromise. Its fourth and fifth sections explain, in turn, the presence in Kenya of the two components of the compromise. The fourth section develops the argument that the dominance of an industrial convention of labour management in the Kenyan cut flower sector is underwritten by the convergence of a series of processes of stabilization, affecting technologies, output, markets and prices. The fifth section considers how and why in Kenya this convention has been inflected in a ‘civic’ direction along a series of labour management parameters – particularly employment conditions, training, work organization and industrial politics – and discusses the role of social standards and other factors in this process. A concluding section sums up and considers how generalizable our findings are for high-value agricultural sectors elsewhere in developing countries.

CONVENTIONS OF LABOUR MANAGEMENT

Convention Theory

Conventions are commonly defined as broad groups of mutual expectations or widely accepted normative models that emerge in and are drawn on in solving problems of economic uncertainty and coordination (e.g. Salais et al. 1986; Eymard-Duvernay et al. 2005; Boltanski and Thévenot 2006 [1991]). Conventions thus describe the common frameworks that guide the ways in which individual economic actions are constituted and combined. They express competing rationalities that are both guides for action and collective systems to legitimize those actions. Convention theory posits that a number of systematically differentiated normative orientations to coordination of markets and firms (economic conventions, or ‘orders of worth’) had emerged by the mid-nineteenth century, on which groups of actors continue to draw.
Convention theory has been critiqued for a lack of explicit discussion of power, but perhaps can be better characterized as understanding power primarily in terms of the collective constraints embodied in normative orders. In so far as these orders are in turn embodied in institutions, these therefore also exercise power.

It should be underlined from the outset that we do not see convention theory as a general alternative to political economy, which can substitute its analysis of the social relations of production or the accumulation of capital. Rather, we use it to explicate the normative vocabularies and technical practices used by managers, supervisors, labour and public bodies to formulate, implement and contest actions.

Different proponents of convention theory elaborate lists of between four and six conventions or ‘worlds of legitimate common good’. To each world corresponds a different norm for qualification of people and objects, and for justifying these qualifications. Four conventions are found in almost all lists, namely the ‘domestic’, ‘industrial’, ‘market’ and ‘civic’.

The normative principles underlying these conventions are ‘tradition’, ‘efficiency’, ‘competition’ and ‘collective welfare’, respectively. The literature acknowledges that in reality the different worlds are usually found not in ideal but, rather, partly institutionalized and hybrid forms.

The consequences of such a heuristic framework for studying labour management suggests that: (1) practices of labour management are cognitively evaluated in different ways depending on what ‘world’ is used to justify and evaluate action; (2) there is a direct link between understandings of ‘legitimate’ labour management practices and the organization of work and workers (providing limited parameters of choice); and (3) given the overlap between economic conventions and orientations to the state, to the labour movement and to collective bargaining, such understandings also have ramifications for the types of industrial politics that might be institutionalized.

Conventions of Labour Management

In agrarian studies, convention theory has been most commonly applied – especially in the Anglo-Saxon literature – as a source for typologizing the dimensions of product quality found in different value chains or ‘agro-food systems’ (e.g. Daviron 2002; Freidberg 2003; Murdoch and Miele 2004; Raynolds 2004; Lindkvist and Sánchez 2008; Ponte 2009). The focus of this literature has been issues of coordination between firms and between producers and consumers. Few applications of conventions to coordination within firms are evident in the Anglo-Saxon literature, despite this being a central concern of the French literature. Indeed, it is this concern that is at the heart of the latter literature’s contributions on labour and labour management (Salais et al. 1986; Storper and Salais 1997; Salais 2001).

The latter contributions combine elements of the typology of normative principles found in mainstream convention theory (the ‘industrial’ and ‘market’ worlds) with elements meant to capture the importance to labour management of new ‘critical inputs’ to production, such as intimate relations between firms and their customers and advanced technologies (the ‘interpersonal’ and ‘intellectual resources’ worlds, respectively). By implication, moreover, individual firms are free to choose which ‘world of production’ to inhabit. According to Storper and

1 Boltanski and Thévenot (2006 [1991]) develop six historically based worlds that draw on particular paradigms of moral philosophy. Apart from the four ‘worlds’ mentioned, they also identify an ‘inspirational’ world and an ‘opinion based’ world.
Lone Riisgaard and Peter Gibbon

Salais (1997), from these choices follow standardized sets of practices in relation to three dimensions of labour management: 'labour qualification' (recruitment and training); 'productivity' (work organization and payment systems); and 'unemployment' (management of risk in terms of workforce size).

The approach to labour management developed by Storper and Salais suffers from some serious weaknesses. It systematically exaggerates the simplicity, rationality and autonomy of firms' choices – at the expense of broader social and economic trends and forces. The framework ignores the institutional contexts in which decisions about labour management are made and it ignores actors other than the firm and buyers, resulting in findings that in the process exclude the application of civic conventions to labour management.

Thus, in a prior paper (Gibbon and Riisgaard 2014), we developed a modified framework for characterizing labour management systems (and changes in these) while uncovering their underlying principles and rationalities. The framework reinstates the mainstream convention theory vocabulary for distinguishing basic normative orientations while retaining and elaborating some of the categories developed by Storper and Salais to describe the main dimensions of labour management. We propose that those dimensions most critical to labour management systems are hiring, training and promotion, labour retention, work organization/worker deployment, payment systems and supervision systems (see Table 1). Furthermore, we add an additional dimension of labour management that we refer to as 'industrial politics' in order to acknowledge that labour management conventions also tend to be associated with specific orientations to industrial relations, the labour movement and to collective bargaining.

'Industrial politics' bears both on how demand shocks are handled as well as on how 'labour qualification' and 'productivity' are managed. The ambition is to devise a typology that can be applied equally to labour management in manufacturing, services and agriculture, rather than to agriculture alone. On this basis, Table 1 presents our typology of labour management conventions.

The typology presented in Table 1 is aimed at preserving the central insights of convention theory while more adequately addressing the material reality and conflictual nature of the employment relation. Besides seeking to rectify this weakness conceptually by adding industrial politics as a central element of the analytical framework, we have incorporated elements of a Marxist typology of systems of work organization from labour process theory. However, the aim of this paper is not to understand the implicit political and material constraints and opportunities posed by specific labour management systems – although this is a future ambition. Rather, our purpose is to ask why certain conventions of labour management emerge in a specific context at a specific point in time. For reasons that will become clear, before answering this question with specific reference to Kenyan cut flowers, the convention theory discussion of compromises and compatibility between different conventions will be developed.

2 We elaborate 'labour qualification' to subsume hiring, training and promotion, and labour retention; while 'productivity' is elaborated to subsume work organization/worker deployment, payment systems and supervision systems. We discard the separate 'convention of unemployment' referred to by Salais and Storper, since we see the aspects of the employment relation that this refers to not as distinct features but as mainly implicit in how labour is hired and retained (labour qualification), by how it is deployed and paid (productivity) and by how 'industrial relations' is managed more widely.

3 The literature on paternalism or domestic government in African large-scale agriculture has been drawn on in filling out the 'domestic' column in the table, as has the 'labour process' literature considering so-called despotic forms of labour control – especially Edwards (1979). The labour process literature has been drawn on further in filling the row on work organization and work deployment – especially Taylor (1911), Braverman (1974) and Hounshell (1984) on 'industrial' systems of labour deployment; Edwards (1979) on 'domestic' and 'civic' systems; and Burawoy (1985) on 'market' systems.

© 2014 John Wiley & Sons Ltd
<table>
<thead>
<tr>
<th>Table 1. Labour management conventions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Domestic</strong></td>
</tr>
<tr>
<td>Hiring</td>
</tr>
<tr>
<td>Personal acquaintance;</td>
</tr>
<tr>
<td>historical tie</td>
</tr>
<tr>
<td>Training and promotion</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Retention</td>
</tr>
<tr>
<td>Work organization</td>
</tr>
<tr>
<td>Worker deployment</td>
</tr>
<tr>
<td>Payment</td>
</tr>
<tr>
<td>Supervision</td>
</tr>
<tr>
<td>Industrial politics</td>
</tr>
</tbody>
</table>

Source: Reproduced from Gibbon and Riisgaard (2013).
This will be followed by a brief discussion of historical transitions between one dominant convention (or dominant hybrid) and another.

**Conventions, Compromises and Compatibility**

As mentioned, convention theory accepts that, in most concrete circumstances, conventions are deployed in hybrid rather than pure forms – in the terminology of Boltanski and Thévenot (2006, 277), in the shape of compromises. A relevant example is incorporation of ‘workers’ rights’ in industrial systems – this term associates an object from the civic world (rights) with beings from the industrial world (workers) (ibid., 277). However, the literature also suggests that some hybrids or compromises are much more likely than others – and that some are unlikely to occur.

Looking at the industrial convention first, this is said by Boltanski and Thévenot to be prone to compromises with all the other common worlds, although when referring to coordination in capitalist markets and firms, compromises with the market world are most common: ‘the need to work out a compromise between an order governed by the market and an order based on efficiency [the industrial world] lies at the very heart of a business enterprise’ (ibid., 332). Nevertheless, serious tension exists between these two worlds, related in particular to (in)stability:

The tension with market worth is expressed in the industrial world by a highlighting of the unpredictability, the random character, of market beings. The worths associated with those two worlds are opposed in terms of their stability; as in the case of ‘an urgent demand by a “powerful” client . . . that has to be met at all costs’. The market pressure exercised by the client shakes up industrial arrangements that presuppose planning and programming, and leads to deficiencies in industrial quality. (Ibid., 273)\(^4\)

If compromises between the industrial and market worlds lie ‘at the very heart’ of capitalist enterprise, then compromises between industrial and civic conventions come about mainly as the result of political struggles, with ‘workers’ rights’ as its main expression (ibid.). The latter’s institutionalization runs counter to central ‘industrial’ principles but is nonetheless not uncommon: ‘In spite of everything that separates an order in which work derives more efficiency from an order in which worth derives from a more general will, industrial and civic worths are the objects of intense compromise efforts . . . ’ (ibid., 325) This compromise ‘refers both to the unity of all, the group, collective solidarity, and to a function of utility, productive capacities’ (ibid., 326).\(^5\) On the other hand, tensions remain a feature where this compromise is institutionalized. From the industrial perspective, these mainly concern the introduction by civic priorities of ‘inefficient administrative procedures’ (ibid., 271).

Compromises are less common between the civic convention and worlds other than the industrial. Compromises are rare between civic and domestic conventions. Indeed, within the framework of the civic world, references to domestic relations are mostly critical: ‘this should

---

\(^4\) The authors cite Chateauraynaud (1986, 227) as the source for this argument.

\(^5\) ‘Efforts to reinforce the civic–industrial compromise are apparent in the many arrangements that are used precisely to establish a convention or a collective agreement, by a contractual negotiation, or to permit concessions – compromises, in the ordinary sense of the term – “in which workers’ organisations have had input but also management and the state,” or to put a labour policy in place by means of equal representation at meetings with counterparts and delegates from the staff. These compromises move the situation away from “classic productivist methods that may lead to bitter setbacks and that almost always develop antagonisms between the “company’s interest” and the “workers’ interest,” with lasting negative consequences”’ (ibid., 327, italics in the original removed).
not be surprising, since the civic bond is defined precisely as one that liberates from relations of personal dependence (ibid., 252). In the wide-ranging survey by Boltanski and Thévenot (2006 [1991]), no examples of compromise between the civic and market conventions are found (ibid., 325).

While this incompatibility between the market and civic worlds is not explicitly discussed in the literature, it seems logical to propose that lack of stability and predictability (‘sustainability’) in the market world makes it difficult to match the two unless there is a strong political imperative to do so, and that even then this would be at the expense of the flexibility demanded by market norms. The industrial and market worlds suffer from a similar incompatibility related to stability/instability, although in this case ‘market’ imperatives force firms into reconciliation in order to survive.

From this discussion, we can derive two central arguments:

(1) While compromises between ‘market’ and ‘industrial’ worlds are an imperative of operating a capitalist business, compromises involving the ‘civic’ world are (unless residual) the result of political imperatives caused by popular struggles.

(2) Some worlds are more compatible than others. Industrial and civic conventions are compatible to some degree, while market and civic conventions are difficult to reconcile.

Understanding Change from One Convention/Compromise to Another

In convention theory in general, not only plurality of principles of evaluation is underlined, but also movements between normative dispositions. Movement (change) at the level of dominant convention is explained somewhat vaguely as being the result of ‘coordination (being) put to the test . . . against a background of failure and particularly of conflict and criticism’ and ‘modifications of the settings in which actions take place, and which offer external support for evaluation’ (Eymard-Duvernay et al. 2005, 3, 6). In other words, change may be driven by normative crises and/or (unspecified) changes in background or structural conditions. At the same time, it is implied that conventions are typically subscribed to by large and heterogeneous groups of economically related actors and that change between them involves a collective adjustment, rather than being something that can be initiated by a few actors.

In this paper, we trace a number of developments in background or structural conditions that have given rise to the specific (combination of) labour management convention(s) found in Kenyan agriculture. In the absence of clear guidance from the literature, we have chosen to select a series of parameters for further investigation on the basis of insights obtained from fieldwork and industry observers (mainly ex-managers with long-term industry experience). These parameters or background conditions are: first, production technology; second, product specialization and product qualification; third, market segment; and fourth, external regulation in the sense of public legislation and private standards. What we have looked for in each case is not merely tendencies that promote one approach to labour management rather than another, but also ones that could confer them with a degree of permanence or stability. The parameters and conditions that are examined here are not intended to be generalizable across convention analysis in general, although they may be useful in other analyses of developments in conventions of labour management.

© 2014 John Wiley & Sons Ltd
Before discussing the foundations of the conventions found, we briefly summarize the main characteristics of the labour management system applied in the Kenyan cut flower sector, arguing that these can be characterized as an ‘industrial–civic’ compromise. This is preceded by a short description of our research methodology. For more detail on both, see Gibbon and Riisgaard (2014).

LABOUR MANAGEMENT IN KENYA: AN INDUSTRIAL–CIVIC COMPROMISE

The convention of labour management uncovered on Kenyan cut flower farms, mainly taking the form of a hybrid of industrial and civic elements, is summarized in Table 2, while its four central features are then described in more detail later in this section. Elements from other conventions are also present, but have a residual status.

These findings are based on fieldwork conducted on 11 (out of approximately 170) large-scale cut flower farms in Kenya over a 2-month period in mid-2011. The sampling frame was purposively designed to include farms certified to a variety of social and environmental standards, as well as some certified to none. Only one sampled farm was not certified to any standard; most were certified to two or more. All but one cultivated only roses and nine were members of the main producer organization, the Kenya Flower Council (KFC). Around a half of Kenya’s approximately 170 large-scale flower farms are certified to a standard with social and environmental clauses, and around a quarter are multiply certified (Gibbon and Riisgaard 2014). While the sample’s numerical over-representation of such farms might result in an overstatement of tendencies towards formalization and legalization, this will have been counterbalanced by the fact that certified farms dominate the sector’s aggregate output. The farms in the sample directly accounted for around 20 per cent of national output, and they were fully representative of more than 50 per cent of this output.

Table 2. Labour management conventions in the Kenyan cut flower sector, 2011

<table>
<thead>
<tr>
<th>Domestic</th>
<th>Industrial</th>
<th>Market</th>
<th>Civic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring</td>
<td>Personal acquaintance</td>
<td>Impersonal; technical/educational qualifications</td>
<td>Impersonal, cost-based</td>
</tr>
<tr>
<td>Training and promotion</td>
<td>Trade apprenticeships</td>
<td>On-the-job training</td>
<td></td>
</tr>
<tr>
<td>Retention</td>
<td></td>
<td>Welfare-related (health &amp; safety) and life-skill training</td>
<td></td>
</tr>
<tr>
<td>Work organization</td>
<td>Scientific planning of work</td>
<td>Stabilization through employment security</td>
<td></td>
</tr>
<tr>
<td>Worker deployment</td>
<td></td>
<td></td>
<td>Responsibilizing work organization</td>
</tr>
<tr>
<td>Payment systems</td>
<td>Discretionary bonuses</td>
<td>Rule-based (time and productivity)</td>
<td></td>
</tr>
<tr>
<td>Supervision systems</td>
<td></td>
<td>‘Equal pay for equal work’</td>
<td></td>
</tr>
<tr>
<td>Industrial politics</td>
<td></td>
<td>Flat supervision (motivational)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legalistic</td>
<td></td>
</tr>
</tbody>
</table>

© 2014 John Wiley & Sons Ltd
The research used three main techniques. The first was semi-structured interviews with farm CEOs or MDs, production managers, human resource (HR) managers (where these existed), and chairs or secretaries of farm workers’ committees or joint bodies and farm-level union branches (where these existed). The second was questionnaire-based surveys of general workers and supervisors. Third, focus group (FG) discussions were organized using standardized instruments covering a narrower range of issues than the questionnaires.

The main characteristics of the labour management systems applied on the farms surveyed were as follows: first, dominance of a norm of stable, secure and reasonably ‘fair’ employment; second, common processes of labour intensification building on mobilization of workers’ tacit skills and delegation to workers of greater responsibility; third, managerialization of supervision; and fourth, partial substitution of ‘social’ for monetary remuneration within the framework of a nationally institutionalized industrial relations system (see Table 2). This section briefly elaborates these characteristics – for greater detail and wider coverage, see Gibbon and Riisgaard (2014).

**Stable, Secure and ‘Fair’ Employment**

More than half of all workers surveyed had worked continuously on the same farm for more than 4 years and a quarter had done so for more than 8 years. Stability of employment was underwritten by contractual security of employment: permanent employment made up more than 85 per cent of total employment on the sampled farms, according to farm records, standards bodies’ audit reports and the authors’ worker survey results. There was an institutionalized system of progression from temporary to permanent status. Of the workers surveyed, 55 per cent stated that ‘it is easier to progress from temporary to permanent employment than when I started work’. These findings were confirmed in a large majority of FG discussions.

Survey and FG findings further showed that employment had also become notably ‘fairer’ over time, with differences in working conditions between both temporary and permanent workers, and also male and female ones, eroding.

**Labour Intensification Based on Mobilization of Tacit Skills and ‘Responsibilization’**

The second main element of the compromise was a rise of forms of work organization and worker deployment combining scientific planning of work and ‘responsibilization’.

Common systems of labour deployment and principles of job design were evident across farms – particularly in respect of greenhouse workers. Individual greenhouse workers were all allocated permanent responsibility for fixed physical areas, to which they applied several distinct floricultural practices. Only one of these, harvesting, was performed ‘against the clock’. The others were performed with some discretion in terms of sequence and duration. Job redesign entailing allocation of greater individual responsibility and discretion was also evident in packhouses on a majority of the farms sampled, though here a lower level of standardization applied and the starting point for changes was a highly detailed division of labour and absent discretion.

---

7 Selection at random was by the researchers themselves as they walked around unaccompanied, from workers present at the time. The sizes of the two samples were 113 and 39, respectively.

8 On most farms, a first FG comprised six male and female permanent workers with a minimum of 3 years’ experience and second comprised six female seasonal workers. In all, 17 FG discussions were held.

9 In March 2012, the authors sought to validate their results by presenting them to three meetings with growers and two with local officers of the Kenya Plantation and Agricultural Workers Union (KPAWU) in Thika and Naivasha. Based on their local experience, union officers in Naivasha expressed a belief that we overstated the share of permanent employment in this region.
On more than two thirds of the sampled farms, work targets (vipimo) had increased since 2005. However, only 27 per cent of workers surveyed said this made it more difficult to meet targets. Productivity increases were achieved by making greater use of workers’ tacit skills, as well as by placing greater reliance on their numeracy and literacy.

Managerialization of Supervision

Flat, ‘motivational’ supervision was general. Whereas few farms sampled undertook formal technical training for workers, all had since 2008 used training to reshape the supervision process. Virtually every supervisor surveyed had been trained in worker motivation and in communication. Correspondingly, supervisors saw coordination of the labour process and work intensification by ‘soft’ methods as the core of their job, rather than discipline.

Three other changes could be observed: workers’ non-completion of their vipimo was no longer treated as a disciplinary offence; a large number of decisions previously falling under supervisors’ prerogative had become subject instead to bureaucratic rules and procedures; and, finally, an upper tier of supervisors with quasi-managerial status had been differentiated on most farms.

Institutionalization of Industrial Relations Systems and the Rising Salience of the Social Wage

The final main element of the compromise was a fully ‘legalized’ industrial relations system, incorporating a rising social wage and collective bargaining.

In May 2011, median worker take-home pay was 17 per cent lower in real terms than in 2002 (see Figure 5 below). Compression had occurred meanwhile in the differential between median industry take-home pay and the national agricultural minimum wage. But these developments were compensated for by a sharp rise in the level and generality of application of the social wage – various types of paid leave, day care, medical care and social insurance. This resulted partly from increases in the number of farms implementing social standards and/or covered by collective bargaining agreements. These developments were complementary and reflected in the presence of a national institutional framework made up of a sector union, an employers’ organization and independent arbitration machinery.

Our finding of an industrial–civic compromise runs counter to the dominant trends reported in the recent academic literature on labour in high-value crop production in Southern and Eastern Africa (see in particular Dolan and Sutherland 2003; Du Toit and Ally 2003; Barrientos and Kritzinger 2004; Kritzinger et al. 2004).11 As with Gibbon and Riisgaard (2014), this literature identifies a turn away from paternalistic forms of labour stabilization and labour control. However, its main thrust is the advance of casualization, labour contracting and ‘flexibilization’ as opposed to secure employment, although a few contributions note greater or lesser exceptions to this pattern.12 In other words, it is a ‘market’ model of labour
management that is said to now characterize high-value crop production. The main explanation offered for this is the increasing incorporation of high-value production in Southern and Eastern Africa in value chains driven by large supermarkets, especially those based in the United Kingdom (UK). These supermarkets demand high volumes, high levels of product quality and high levels of production flexibility, while also pressing down prices, resulting in employment destabilization. We shall return to this argument below.

The following two sections build on data collected by the authors in Kenya, as outlined above and in Gibbon and Riisgaard (2014), as well as from the Kenya Horticultural Crop Development Authority (HCDA), Comext and the Dutch auction organization VBN. They seek to explain in turn the presence in Kenya of the two components of the compromise.

FOUNDATIONS OF AN INDUSTRIAL CONVENTION OF LABOUR MANAGEMENT IN KENYAN CUT FLOWER PRODUCTION

The organization of labour management in Kenyan cut flower production according to an industrial convention is based upon the stabilization since around 2005 of an unambiguously industrial-style production system (a system of continuous mass production of largely standardized products) and of output. The latter in turn relates to the stability of demand for Kenyan produce in the main end-market.

Stabilization along these three dimensions has favoured particular ways of dealing with workforce retention, work organization, payment systems and training; while at the same time inducing clear biases against domestic and market approaches in some of these areas. This section will rehearse the central developments that have occurred in relation to technology, output and demand before identifying in more detail the approaches to different aspects of labour management with which they have been associated, or against which they have been opposed.

Production Technology

The main outlines of the current technology in the sector emerged in around 2000–5 and have subsequently become standardized. First, ‘Israeli’ steel–poly greenhouse structures replaced existing ‘Spanish’ wood–poly ones. The former allowed a substantial increase in greenhouse size, to a typical area of 0.7–1.0 hectares, permitting greater economies of scale in deployment of labourers and supervisors.

In line with the compatibility of Israeli greenhouses with other modern floriculture technologies, a few farms adopted computerized heating systems, misting equipment or lighting systems, and a larger number hydroponic systems (growing in substrata rather than soil, with computer–controlled fertigation). However, from 2006–7 further diffusion of heating, misting and lighting systems ceased, while a general movement occurred away from hydroponics.13 Mechanization, including in packhouses, remained at low or very low levels throughout.

At the end of the 1990s, Thoen et al. (1999) had identified the modern technologies listed, together with packhouse mechanization, in-house propagation and operation of tissue culture laboratories, as innovations the general diffusion of which would be required if Kenya was to retain a leading position in the global cut flower trade. Actually, the model production

13 For the authors’ sample, the median area under hydroponics was only 17.5 per cent (N = 10).
12 Lone Riisgaard and Peter Gibbon

technology that has been stabilized – while less labour-intensive than in the 1990s – is more
labour-intensive than these authors recommended, as well as entailing lower capital and
technical management requirements.

Dissemination of this modern but relatively low-tech system occurred through two succes-
sive processes. First, virtually all farms, even the small ones, appointed professional growers to
production management functions by 1995–9 – usually Kenyans with experience from the
largest farms. From 2005–6, in the industry’s heartland (Naivasha), professional growers rotated
farm visits and informally benchmarked production practices and systems. Benchmarking
primarily covered horticultural practice in greenhouses, but also extended to worker deploy-
ment systems.

Output

No data source directly reporting the sector’s output is available. HCDA reports Kenyan
monthly export volumes by variety to all destinations,14 but this data is not of consistently
good quality. Given general agreement in the sector that, over a prolonged period, the great
bulk of all Kenyan exports have gone to the European Union (EU), the EU import volume
data is probably to be preferred. However, EU data is available only on an annual basis and –
prior to 2007 – only for cut flowers in aggregate.

Having said this, Figure 1, based on EU-15 import data, shows a flattening off after 2005 of
(this proxy for) aggregate output, at a level between 80 and 100 million tons per annum. This
followed a steeply rising curve from 1995 to 2005. Using the same data for roses as a proxy
for output, this too has been stable since data first became available, at 69–80 million tons per
year. The story in EU-15 import data is mirrored in local estimates of numbers of export
farms (constant at about 170) and total production area (constant at about 2,400 hectares).

In terms of labour-related stabilization, reduction in variance of inter-seasonal output is
probably of greater importance than reduction in variance of annual output. Since HCDA is
the only available source for (a proxy of) monthly output, its data will be resorted to here.
Figure 2 shows the evolution of the standard deviation for monthly cut flower and rose
output (against average monthly output for each year) up to 2012. Discounting the ‘ash cloud’
year of 2010, the standard deviation for monthly output remained in a relatively narrow range
for the whole period from 2002 to 2012 (10,000–12,000 tons), while average monthly output
more than doubled. Thus inter-seasonal output variance had fallen substantially.

According to HCDA data, roses came to dominate aggregate flower production from ca
1998. From 2005, their share of total production (by volume) reached over 75 per cent, where
it has remained since – a picture confirmed in EU import data (see Figure 1(b)).15 Furthermore, within rose production itself a broadly common pattern of varietal specialization has
also occurred, in terms of both numbers of varieties grown by farm and varietal selection.

Information was available from 9 of the 11 farms sampled on numbers of rose varieties
grown and from eight on the identity of these varieties. Whereas over 1,000 rose varieties
were traded through the Dutch auctions in 2010 (VBN 2010), the median number grown per
Keny an farm was 26, as against a median farm size of 22 hectares. In terms of varietal density,
seven of the nine farms grew 1.7 varieties per hectare or less, corresponding to a predomi-
nantly industrial production system, while two grew between 5.7 and 6.7 varieties per
hectare, corresponding to a high level of product diversity.

14 There are virtually no sales of industrially grown cut flowers on the domestic market.
15 In the authors’ 2011 sample, eight farms grew only roses while two others grew 93–95 per cent roses
(N = 11).

© 2014 John Wiley & Sons Ltd
Labour Management on Kenyan Cut Flower Farms

Figure 1 (a) EU-15 cut flower imports, 1995–2011. (b) EU-15 rose imports, 2007–11

Sources: Comext: (a) cut flowers, HS 0603; (b) roses (available only from 2007), HS06031100.

Four ‘intermediate’ rose varieties\textsuperscript{16} were each grown on at least half the farms in the sample. All are amongst the most traded varieties in the auction.\textsuperscript{17} There was also considerable duplication between farms for 15–20 further varieties.

Prices, Market Share and Market Channels

Stabilization of Kenyan output in terms of volume and a narrow industrial form of product specialization was followed by a couple of years of stabilization in the aggregate unit prices commanded by Kenyan output in the EU market, at \(€3.00–3.40\) per kilogram (Figure 3), suggesting that price stabilization was a precondition for the other changes noted. Kenyan average unit prices had declined quite sharply in the EU market in the late 1990s (see Thoen

\textsuperscript{16} Upper Class, Duett, Valentina and Belle Rose.

\textsuperscript{17} With 2010 sales ranging from 38.7 million to 76.9 million stems per variety (VBN 2010).
et al. 1999, 718), a trend that continued down to 2003 before halting. The bracket at which Kenyan unit prices stabilized represented a 4.5–7.5 per cent discount against the average unit price for all extra-EU imports (based on Comext HS 0603 and HS 06031100 data).

Price stabilization coincided with a consolidation of Kenya’s position in the Dutch auction channel to the EU. Using exports to the Netherlands as a proxy for exports through the auctions, the latter’s share of all Kenyan exports to the EU rose from below 70 per cent in 2000 to above 80 per cent in 2003. 

The authors cite VBN data showing a decline in average prices received for Kenyan ‘large’ roses from €0.21 per stem to €0.17, for ‘small’ roses from €0.14 to €0.11, and for spray roses from €0.14 to €0.11, between 1996 and 1998 alone.
2002 to 77.5 per cent in 2011. There was a complementary decline over the same period in
the share of UK direct sales in Kenya’s EU exports (from 23% to 13%; op. cit.). In the
auction itself, Kenya’s share of all imported flowers almost doubled. With the attainment of a
basic price-setting role for Kenyan roses in the auction in the mid-2000s, Kenya’s share of
aggregate EU cut flower and rose imports further stabilized, at around 40–45 per cent for all
flowers and 55–60 per cent for roses (Figure 4).

It is notable that all the trends just described have proved resistant to the prolonged
recession experienced in the EU in recent years. While concentration on more standardized,
cheaper and probably more demand inelastic product lines has clearly contributed to this, so
too has the Kenyan response to market demands for more careful handling, greater colour
variations within the intermediate category and more customized bunching. These demand
trends have been evident both in the auction and direct market channels, and have led to an
increase in the number of large/intermediate rose varieties that may be considered standard,
the more frequent appearance of new standard varieties and more frequent changes in bunch/
bouquet customization principles. Kenyan producers have also started to supply small
volumes of certain high-value varieties (e.g. outdoor roses, scented roses, Victorian roses, etc.).
Thus, the overall direction has been an increase in end-product lines offered, mainly through
multiplying variations in colours and bunch composition (interview M2).

This entails that the essentially industrial production model outlined subsumes elements of
differentiation. The number of varieties grown per hectare, while low, is increasing. Likewise,
there has been an increase in the number of varietally specific crop husbandry techniques
applied and more frequent changes occur in harvesting routines (particularly cut points);
parallel changes have occurred in many packhouses. The implications for labour management
will now be considered.

From 16.4 per cent (2002) to 29.5 per cent (2011) (Comext HS 0603 data). These apparently low shares
reflect the domination of auction imports by plants rather than flowers.

Bunches were traditionally differentiated in terms of stem numbers and length. Today, more stem length
alternatives are offered, while other new types of differentiation include colour and varietal mixing and use
of fillers.
Discussion

Although causes and effects are not easy to separate, the most important outcome of the complementary instances of stabilization described has been for employers to favour using long-term workforce retention as a vehicle for accumulation of tacit workforce skills. Second, since not only can all the factors of production now be well understood but also sales channels and prices have become predictable, scientific planning of work has become not only desirable but also feasible. Third, since production can be routinized and variations in labour requirements controlled, and since the relation between output and realizable income can be calculated, then stable rule-based payment systems have become both optimal and possible.

On the other hand, the systemic stabilization described favours neither a specific method of long-term workforce retention (e.g. high wages as under classic Fordism, or provision of employment security) nor a specific type of rule-based payment system (e.g. mainly time-based, or one combining time and productivity payment). Nor does it favour a particular approach to labour recruitment or training – although given the low-tech, labour-intensive nature of the production system, trade apprenticeships are likely to be irrelevant for most workers.

More clearly implied is the non-viability of certain of the main historical alternatives to the ‘industrial’ approaches to these issues. In particular, the context described makes ‘market’ approaches to employment relations and the organization of work – which emphasize numerical flexibility of employment and temporary ‘project’-type forms of work organization – counterproductive. Likewise, mobile gangs, assembled as in ‘domestic’ systems according to physical attributes and deployed to shifting work stations according to demand, would militate against meaningful accumulation of tacit skills. Furthermore, although the processes of stabilization described do not entail a particular method for supervising workers, they tend to render superfluous the despotic methods found both in domestic and market systems, since these do not favour continuity of production.

Meanwhile, where Kenya’s role as leading exporter of standard products into the auction has had the most impact may be in providing a degree of protection against the unpredictable delivery conditions and predatory pricing and supplier service-provision policies that often characterize ‘buyer driven’ value chains (Gibbon and Ponte 2005, 20–5) – specifically those driven by the big UK multiples that represent the main end-market for much African fresh fruit and vegetable export production.21

An extensive literature on high-value horticultural exports from sub-Saharan Africa (see, e.g., Dolan and Humphrey 2000; Hughes 2001; Dolan and Sutherland 2003; Friedberg 2003; Barrientos and Kritzinger 2004; Nadvi 2004) attributes high levels of labour ‘flexibilization’ (large numbers of casual, seasonal and contract labourers plus segmentation between their employment conditions and those of permanent workers) to participation in such chains. While this argument exaggerates the causal role of market channels in determining the content of labour management systems and, in the case of flowers, oversimplifies distinctions between market channels,22 it still embodies an important insight.

21 For example, the UK has accounted for about 60 per cent of all EU imports of fresh beans from Kenya throughout the 2000s (Comext HS 0708 data).

22 ‘Direct sales’ of cut flowers, as opposed to auction sales, encompass not only or even mainly sales to supermarkets but also chains involving importer-brokers such as Omunitflora (owned by one of the leading producers, Finlay’s), national wholesalers and local retailers – including both medium-sized chain stores and specialized florists. Similarly, as direct sales have reduced the auctions’ aggregate market share, the auctions have created specialized departments catering to direct buyers (for further details, see Patel-Campillo 2011).
In this literature, demands for product differentiation are also seen as specific to supermarket chains and as reproducing the impacts on employment conditions of supplier squeezing on delivery, price and service provision. Each accentuates pressures for flexibilization, since suppliers must absorb the cost of the continuous adaptive responses required.

Furthermore, while supermarket demands that suppliers adopt labour standards are seen as leading to improvements on easily visible issues such as health and safety,23 this demand is also seen as promoting flexibilization (in the form of a segmentation of employment conditions applied to different groups of workers: Barrientos and Kritzinger 2004; Ewert and De Toit 2005), since suppliers also have to absorb the costs of compliance. An argument that differentiation and standards in Kenyan flowers have worked in a different direction, namely to modify an industrial convention of labour management in favour of an industrial–civic compromise, will be developed below.

THE FOUNDATIONS OF AN INDUSTRIAL–CIVIC COMPROMISE IN LABOUR MANAGEMENT IN KENYAN CUT FLOWER PRODUCTION

Civic inflections of industrial principles or systems characterize most aspects of labour management in the sector. Almost all these inflections are mainly attributable to increased salience of social standards and progressive national public regulation. Secondary contributions to ‘industrial–civic compromises’ have also been made by developments in the Kenyan labour market in the case of employment stabilization and industrial politics, and the rise of human resource management – itself bound up with the rise of standards and regulation – in the case of supervision systems and industrial politics. Notably, however, the civic inflection of work organization has no intrinsic relation to standards, deriving instead from the market/product differentiation trend described in the last section, supported again in a secondary way by developments in the Kenyan labour market. This section traces developments in standards and regulation and then examines their impacts on specific dimensions of labour management, in specific cases in combination with the other causal factors to which we have just referred.

Standards and Kenyan Public Regulation

Demands that Kenyan flower producers follow internationally recognized environmental and social standards – in the latter case, based on International Labour Office (ILO) ‘fundamental principles and rights at work’ – date from the mid-1990s and probably reached a peak in 2000–3. They were mainly expressed in repeated campaigns by local and international NGOs against unregulated use of chemicals and violations of labour rights (Opondo 2006), but also in requirements by some supermarkets, particularly UK ones, that suppliers adopt codes of social and environmental practice. In response, the owners of five of the country’s largest farms formed the KFC in 1996–7, with the aim of developing a robust local standard, the adoption of which would shield growers both from NGO campaigns and from the cost and inconvenience of having to apply several different supermarket codes simultaneously (Opondo 2006; Riisgaard 2011).

Additionally, although ubiquitous in supermarket-destined chains, market demands for product differentiation and for environmental and social standards are also increasingly salient in the auctions where lots, since 2007, can indicate certification to FFP and MPS at the clock front.

23 For a discussion, see Barrientos and Smith (2007).
NGO campaigns still occur, particularly around Valentine’s Day (see, e.g., KHRC 2012), although less frequently than in the past and with more focus on named ‘rogue’ growers rather than the sector as a whole. The main role in promoting private standards has been taken over by the KFC, the membership of which increased to 28 operators in 2001, 50 in 2008 and 60 in 2011 (Riisgaard 2011). The KFC code of practice, against which farms could be certified from 1999, was indeed to play the role that its pioneers envisaged. It was benchmarked against the most important pan-European supermarket standard EUREPGAP (later GLOBALGAP) in 2005 and recognized as equivalent to it in 2006; in 2011, it was recognized as equivalent to the Fair Flowers Fair Plants standard (ibid.).

At the same time, buyer demands have led Kenyan producers to adopt parallel standards such as Fairtrade, the Flower Label Programme, Rainforest Alliance and MPS (catering for the auction channel), as well as some supermarkets’ private standards (ibid.). As a result, since 2005 the sector has become one of the most comprehensively subject to private regulation globally. Of around 170 large-scale farms in 2011, 78 were certified to at least one standard covering both social and environmental issues (FLO, KFC or MPS–SQ).24 In 2011, KFC certification alone covered 46 farms with an aggregate of 1417 hectares under production (59% of the estimated national cut flower production area).25

As for public regulation, Kenyan labour legislation was for years criticized for its weakness and poor enforcement. Yet according to the ILO, today Kenya has ‘arguably one of the best institutionalized labour market governance systems in Africa’ (Fashoyin 2010, 1). While one might question how effectively this works in practice, the 2007 revision of the Kenyan labour code strengthened both workers’ rights and the tripartite institutional system first provided for in the 1960s (Bor 2007; Fashoyin 2010; interviews with industry experts and regional trade union officers 2011–12).

The new code established a more complementary relation between private and public labour regulation in Kenya. Whereas prior to 2007 private standards were the main impetus behind operators’ adherence to the laws of Kenya, the new code led to standards becoming more stringent in certain areas. It led also to greater influence for a third channel promoting labour rights in the sector, namely the trade union KPAWU.

Standards, Regulation and Employment Conditions

Historically, workforce retention in ‘industrially’ managed systems was secured through paying wages above market-clearing levels – classically the ‘$5 a day’ that Ford paid workers to tie them to the world’s first mechanized assembly line. This was, however, in the context of a tight labour market as well as only weak pressures for alternative solutions to the same problem.

In Kenya by 2005, pressure for such an alternative, namely providing security of employment, was strong. The social standards that were becoming more salient themselves privileged rights to secure employment over, for example, adherence to wage levels markedly higher than the national agricultural minimum. Indeed, private standards on employment conditions are exemplarily ‘civic’ rather than ‘industrial’, since their main emphasis is on the ‘social wage’ rather than the monetary one. Their main concerns have been with entitlements such as

24 Based on information from the FLO, the Kenya Flower Council (KFC), MPS Sustainable Quality and the Fresh Produce Exports Association of Kenya (FPEAK). Where operators owned more than one farm, each farm was counted separately.

25 Data provided by the KFC.

© 2014 John Wiley & Sons Ltd
weekly rest days, annual leave, maternity/paternity leave, sick leave, housing allowance, travel allowance, day care, medical provisions, and pension and insurances.

Meanwhile, Kenyan labour market conditions, in the form of steadily rising unemployment, increased the attractiveness of employment security to workers. By 2005–6, there were around 450,000 new entrants to the Kenyan labour market annually, while only 50,000–60,000 new formal sector jobs were being created (see KES 2006 and below).

Standards, Regulation and Training

Industrial training in the Kenyan cut flower sector is typically ‘on-the-job’ training – the norm most associated with ‘market’ labour management systems – rather than formal technical training, which is the ‘industrial’ norm. Critics of the ‘market’ training norm attribute it to a cost-saving rationale, where costs sunk in formalizing skills are seen as enhancing workers’ employment mobility. However, another explanation of the preference for this type of training is that the skills most relevant to some work are tacit and as such are ideally acquired cumulatively by prolonged exposure to a constant work environment.

Taking greenhouse work as an example, knowledge of a few simple operations can be imparted formally during induction training and updated formally when new customer requirements arise. However, some variations in their application are likely to be more optimal than others, depending on the properties of the variety handled and the microclimatic and ecological specificities of a given farm, greenhouse or section of a greenhouse. These may be difficult and perhaps even inappropriate to codify.

Meanwhile, standards have specific requirements on training only in the area of occupational health and safety. Here, they mandate training in safe and effective use of chemicals, as well as in fire drill, first aid, hygiene, emergency and accident procedures. In these areas, standards are mostly underwritten by regulation; for example, stipulating the formation of workplace health and safety committees and annual medical examinations of employees in specific occupations. The public Department of Industrial Training (DIT) incentivizes the provision of statutory training in these areas, alongside more technical industrial training, by allowing most costs to be financed from a mandatory training levy that employers pay on an employee per capita basis. The sector has a relatively high take-up of these incentives.

Some standards mandate training over and above statutory requirements in terms of both detail and subject matter. Thus training on workers’ rights, equality related to gender, minorities and disadvantaged workers, family planning and HIV/AIDS awareness is commonly required. On farms certified to Fairtrade standards, formal training aimed at diffusing civic norms such as fairness is mandated. This subsumes training of all workers on ‘good’ industrial relations and on Fairtrade principles ‘in order to increase their capacity to participate in and take responsibility for the implementation of Fairtrade’ (FLO hired labour reporting checklist 2011) as well as training of workers’ representatives on Joint Bodies, including in leadership, active participation and communication skills and project management (ibid.).

26 According to the latest Kenya Integrated Household Budget Survey, open unemployment in Kenya stood at 12.7 per cent in 2005–6. Amongst the 15–29 year old age group, the figure was 36.9 per cent – an increase from 33.7 per cent as measured in the previous survey round of 1998–9 (KIHBS 2008).
27 Since 2007, the DIT has approved 6,000–9,000 training courses yearly in the ‘plantation’ sector in Kenya, the large majority of which are in the floriculture and horticulture subsectors. This is around one third of all approved industrial training courses in the country (DIT 2009, 2010).

© 2014 John Wiley & Sons Ltd
Standards, HR Management and Supervision

On the farms in the authors’ sample, supervision embodied both the ‘technical problem-solving’ dimension characteristic of industrial labour management systems and a more flat, ‘motivational’ form of supervision. Evidence in support of this finding emerged clearly both from surveys of workers and of supervisors themselves (Gibbon and Riisgaard 2014). If the technical problem-solving dimension of supervision is conditioned by the production system described, including its modification in the direction of differentiation, the civic dimensions of ‘flat’ leadership and ‘motivation’ were introduced from around 2005 at the initiative of HR managers.

A small number of large-scale flower farms in Kenya employed professional HR managers from the mid-1990s, usually in the belief that their knowledge could be used to head off the widespread labour unrest accompanying the sector’s rapid expansion. Initially, owners viewed HR techniques as an alternative to both labour standards and a civic form of industrial politics (interviews M1–M3). During 2000–5, however, a much larger number of farms appointed HR managers, mainly in response to the challenges presented by certification to and implementation of social standards.

Formalization of systems and rules on employment, to some extent irrespective of their content, reduced the prerogative and therefore scope for despotism of individual managers and supervisors. On the other hand, a conscious project of reshaping supervision was also pioneered by HR managers on a number of farms, aimed primarily at supervisors’ better integration into management.

HR managers could defend the new form of supervision against sceptical production managers by pointing not only to fewer disruptions caused by grievances but also reductions now achievable in the density of supervisors. Reductions in grievances were reported on an unsolicited basis by 4 of 11 farms as an indirect benefit of standards, while lower numerical densities of supervision since 2008 were reported on an unsolicited basis by three farms as an indirect benefit, in both cases with no reports of movements in the opposite direction.

Market/Product Differentiation and Work Organization

As noted, the main impacts of greater differentiation in market demands and subsequently in production have been not on employment conditions but on work organization. Here, differentiation has been associated with efforts to build up and make greater use of workers’ tacit skills by enlarging their functional responsibilities. In greenhouses, this has involved integrating the previously differentiated functions of harvesting and bed maintenance while fixing individual workers to dedicated physical areas where they are deployed on a continuous basis (‘scheme harvesting’; see Gibbon and Riisgaard 2014).

In packhouses on a majority of the farms surveyed by the authors in 2011, product differentiation trends had also led to a less detailed division of labour relative to that established during 2000–5, by combination into a single task of three to four previously

© 2014 John Wiley & Sons Ltd
distinct functions. In the cases both of greenhouses and packhouses, this has reduced worker interchangeability, particularly via substitution of permanent employees by casual or temporary ones.

Reductions in the division of labour have also been associated with reducing supervision’s disciplinary content and increasing its technical one, both as a result of entailing greater worker self-monitoring and intensifying transmission to workers of new technical information reflecting customer requirements. The overall result has been a civic inflection of work organization systems that remain industrial – incorporating, for example, work study in packhouses – but which also incorporate enhanced individual worker ‘responsibilization’.

Inflection of industrial work organization in the civic direction of ‘responsibilization’ naturally assumes a labour force with capacities for enhanced responsibility. Greenhouse workers, for example, need to understand the agronomic rationale of the combination of tasks they are required to undertake, as well as to follow written instructions in English. While only a minority of the farms surveyed in 2011 had made completion of secondary school a recruitment criterion, the proportion of secondary school graduates in the sector’s workforce is high.30 This has been made possible by the increasing share of secondary school graduates amongst entrants to the Kenyan labour market.31

An Industrial–Civic Politics

Civic forms of industrial politics consist of systems in which employers and workers are represented in independent organizations, where a norm of collective bargaining prevails, where recourse exists to an independent forum for settling disputes and where all these institutions receive legal protection. Collective Bargaining Agreements (CBAs) may be local (place of employment) or national or both, while worker organization may be combined with formal training of worker representatives.32

While a few elements of a civic system in large-scale agriculture in Kenya emerged in the 1960s (see Sandbrook 1975), until into the late 1990s the reality on the great majority of farms was that owners decided unilaterally if and how workers were to be represented, as well as what and how wages were to be paid and other employment conditions determined. Practices on farms were screened from public gaze by a closed-door policy, excluding unions, the Press and government labour officers (Interviews M2 and M3).

Shortly after formation of the KFC in 1996–7, the Agricultural Employers’ Association (AEA)33 began to play a more active role in sector politics. In 1996, and in line with KFC rules that members pay at least the national agricultural minimum wage, the AEA flower farm members abandoned the latter as the going national rate, while in 1997 the first multi-employer national CBA was signed with the KPAWU. The KFC subsequently required farms certified to its standard to follow CBA wage determinations. Fairtrade standards go beyond this in Kenya, by mandating that certified farms not only adhere to CBA determinations but also become CBA signatories (and thus by implication join AEA). At farm level, adherence to the CBA and legalization more generally was further promoted by appointment of professional HR managers.

30 According to Ksoll et al. (2011), reporting data from a survey of 74 farms in 2008, 46 per cent.
31 As a result of changes in completion rates at different stages in the education system, and the transition rates between these stages, the proportion of labour market entrants who had taken KSCE rose from 31 per cent in 2006 to 48 per cent in 2010 (based on KES 2011, tables 3.4, 3.7, 3.10, 3.13 and 3.14.).
32 On rights/entitlements and sometimes representation and negotiation skills.
33 Founded in 1966.
Since 2010, these forces have been complemented by government support for so-called closed shops in enterprises that are signatories to national CBAs. The Labour Relations Act No. 14 of 2007 (which came into effect in 2010) allows unions that are parties to CBAs to require employers that are signatories to collect and remit to them an ‘agency fee’ from all unionizable – though not necessarily unionized – workers even on farms with no union members.

The 2010 flower-sector CBA was signed by 57 of around 150 operators, including almost all larger ones. In addition to this, three very large operators are parties to farm-level CBAs. Besides specifying pay rates (including for overtime and work on public holidays or rest days), the sector CBA covers hours of work, leave,34 ‘acting allowance’,35 housing allowance and burial expenses. It further covers disciplinary and grievance procedures, redundancy and termination of contract and retirement benefits.

Interviews with managers, workers and union branch officials supported the view that widening adoption of standards, adherence to the national CBA and the agency fee regulation had combined to widen local union recognition and promote unionization. Workers identified union membership with probable improvements in wages in line with CBA determinations – and the cost of membership was no longer a disincentive to joining, since this cost was now imposed involuntarily on all workers where the agency fee was invoked.

Across the authors’ farm sample, average union density was just below 50 per cent of the workforce and only 1 out of 11 farms reported having no members. Although these figures are probably higher than those applying in the sector nationally, they nevertheless suggest an increase in density (Hughes 2000; Dolan et al. 2005), albeit with considerable variance between farms and regions. The 2007 Labour Code has also made reference of cases to the Industrial Court easier. The court provides resolution of cases concerning union recognition, dismissals and redundancies.36

This is not to say that the flower CBA optimizes workers’ rights and conditions, or that the KPAWU does so either. While on AEA- and KFC-member farms the ‘social wage’ has undoubtedly risen since 2002, as Figure 5 shows, the real value of basic wages specified in successive CBA determinations fell over the same period, absolutely and relatively to the national agricultural minimum wage. Labour market conditions have no doubt been a major reason why this has occurred, but the KPAWU’s ineffectiveness is probably another.

Farms pay greenhouse workers overwhelmingly on a time basis, while packhouse workers are paid using systems combining time and piece rates, varying in detail from farm to farm. For a majority of the sector’s workforce, time rates37 are determined in the sector CBA. It is worth noting here that it does not dictate piece rate systems, which are determined unilaterally by employers.

Standards, as stated, make few direct prescriptions on pay rates. The main local (KFC) standard stipulated from the outset that wages should exceed national agricultural minimum rates. But their only prescriptions on payment systems are that they be monetary in form, rule-based and transparent. Where more detailed pay-related requirements exist, these apply the civic principle of equality to the rates for permanent and non-permanent workers, and

34 Including annual leave with transport allowance, compassionate leave, leave for trade union business, maternity leave and sick leave.
35 An allowance for temporary promotion.
36 Although no separate figures exist for the cut flower sector, references to the Court in aggregate increased from 226 cases in 2008 to 1,484 in 2010 (FKE 2011, 13).
37 Actually, the CBA lays down a standard working week/month and monthly pay rate.
male and female workers.\textsuperscript{38} Indirectly, standards also prescribe restrictions on the extent to which overtime pay can contribute to total pay, through restrictions on overtime working as such.

As noted, neither national or farm-level CBAs contains any provisions on the piece rates that determine a large, and probably growing, share of aggregate take-home pay.\textsuperscript{39} Nor do local KPAWU officials ever participate in such discussions: the union simply expresses an abstract opposition to such systems in principle. Amongst the reasons may be that it is only practical to negotiate such systems at farm level, whereas the KPAWU is strongly centralized if not autocratic. Even where local farm-level CBAs exist, negotiations on pay are reserved to central office and occur physically in Nairobi. The KPAWU’s centralization is further underlined by the fact that income from the agency fee seems not to filter down to farm or even regional levels of organization, which appear starved of resources.

CONCLUSION

An industrial convention of labour management has been stabilized in Kenya since around 2005. This has been driven mainly by the stabilization of a labour-intensive ‘medium-tech’ production system. At the same time, most elements of the labour management system have been inflected in a civic direction. This has generated significant benefits for workers, although this has clear limitations in respect of real wages and effective wage negotiation. The main driver of this inflection is private regulation, supplemented by other factors, but

\textsuperscript{38} ‘...Workers have received equal pay for work of equal value. Casual, temporary or seasonal labour pay is NOT less favourable than those paid to permanent workers performing the same tasks’ (KFC code version 8).

\textsuperscript{39} On average, over one third of packhouse workers’ take-home pay. It should be noted that only a small minority of non-packhouse workers received any piece rate based pay, and that by comparison packhouse workers received significantly higher wages than other workers (for details, see Gibbon and Riisgaard 2014).
24 Lone Riisgaard and Peter Gibbon

comprehensive enough in its effects for the compromise to be both coherent and stable across a dominant part of the industry. Although it was not possible to study this directly, the civic inflection appears to have been implemented mainly through interactions between NGO pressure and international buyer and industry association responses.

This paper concludes by asking how generalizable these findings are to other contemporary large-scale agricultural settings in developing countries. This question can be settled properly only on the basis of a case-by-case empirical analysis, but hypotheses can perhaps be generated on a more abstract basis. In such abstract terms, the issue of generalizability may be considered in two parts: first, the extent to which industrial labour management conventions can be expected to be found in other large-scale agriculture settings in developing countries and, second, the circumstances in which comprehensive civic inflections may also be expected.

Possibly industrial labour management conventions can be established in large-scale agriculture on foundations other than those applying in Kenya, but these are difficult to imagine. Essentially, the Kenyan conjuncture of a stable technology dedicated to mass production of a narrow range of standardized products, combined with stable mass demand in the EU market and a semi-oligoplistic supply structure, mimics some of the classical preconditions of Fordism within manufacturing – large factories built around assembly lines producing long runs of single models, mass demand supported by (near-)full employment, and supply dominated by a handful of producers. Supply into the EU rose market is considerably more competitive than was supply into the automobile market in the United States in the early 1920s, but by comprehensively dominating the EU mass market for standardized product over a prolonged period, Kenya has achieved a degree of production stability that is unique in this sector. Amongst other flower producers, probably Ethiopia approaches Kenya conditions nearest. Indeed, Ethiopia’s competitiveness in the same market segment may come to undermine stability in Kenya sometime in the future.

For other high-value crops, mass production of standardized product varieties may be associated with relatively stable demand – but usually in the context of very high levels of competition, reflected in frequent shifts in market leadership. This relates to the typically much lower entry barriers applying to most such crops relative to cut flowers. On the other hand, similar conjunctures to the Kenyan/Ethiopian one for flowers may apply to certain ‘industrial’ crops, where demand is stable but where costs of establishment are high.

Turning to the extent to which comprehensive civic inflections of stabilized industrial conventions may be expected in large-scale agriculture, the probability of further cases resembling the Kenyan cut flower one seems more limited. As Boltanski and Thévenot (2006) argue, comprehensive inflections in the civic direction have traditionally depended on high levels of political pressure – for example, as applied by popular forces to ‘industrial relations systems’ in Western Europe in the late 1940s and 1950s. As illustrated here, in developing countries in the early twenty-first century, ‘civic’ pressures are perhaps more likely to arise from the interactions of NGOs and corporate demandeurs of social standards concerned with damage to their reputations, alongside pressure from trade unions.

The Kenyan cut flower sector has probably experienced a unique concentration of such pressures since the late 1990s. External and internal NGO pressure has been exceptional in terms of its persistence and breadth, with its impact multiplied by the symbolic associations of roses on the one hand, and by the indirect support provided to this pressure by a significant segment of Kenyan growers themselves, in the form of the social clauses of the KFC standard. Similar concentrations of civic pressure do not seem to be found widely elsewhere, at least not in large-scale agriculture, high-value or otherwise. Or where they are – for example, in
Labour Management on Kenyan Cut Flower Farms

relation to timber – end-markets may be so segmented (and/or certain value chains leading to them so opaque) that civic pressures can apply effectively to only a small part of the market. Furthermore, as discussed above, compromises encompassing civic conventions are more likely when encompassing industrial conventions than, for example, market ones. Thus the prior stabilization of an industrial convention is a precondition for civic elements to be stabilized – provided that there is appropriate political pressure. Not surprisingly, this is relatively exceptional in large-scale agriculture, even high-value large-scale agriculture.

Much of the existing literature on high-value crops, identifying the rise of market as opposed to industrial–civic labour management conventions, has attributed this trend to the growing share of supermarkets in demand. The latter may include demands to implement social standards as part of long lists of delivery conditions but, following their ‘financialized’ logics, the latter’s main emphasis is on ‘doing more for less’.

It is tempting to counterpose the Dutch flower auction system and Kenyan cut flower production’s leading role in imports as the foundation for its ability to establish and retain an industrial system of production rather than a market one, and therefore to look for the presence or absence of auction systems in the markets for other crops as a possible indicator of the presence of other industrial conventions of labour management. While, as noted, the auction system may have provided Kenyan producers with some degree of protection from the more pernicious ‘financialized’ pressures applied to producers that depend on supermarkets as their leading market channel, it is also worth noting that the labour management system described in this paper can be found amongst large Kenyan producers irrespective of the market channel through which they supply. Furthermore, it is unlikely whether this labour management system’s ‘civic’ inflection would have been so pronounced had it not been for supermarkets’ demand for social standards – a demand that was subsequently adopted in some of the auction system too.

In answering the question of the weight that should be attached to market channels in explaining Kenyan labour management conventions, it thus seems reasonable to conclude that they have been secondary rather than primary, that it has been the combination of market channels that exists, rather than the dominance of any single one, that has been important, and that the impact of this combination has been rather diffuse. Future research should explore such impacts further, and at the level of the sector as a whole, rather than only that of specific farms dedicated to specific channels.

REFERENCES


© 2014 John Wiley & Sons Ltd
26 Lone Riisgaard and Peter Gibbon


© 2014 John Wiley & Sons Ltd
Labour Management on Kenyan Cut Flower Farms


© 2014 John Wiley & Sons Ltd
AUTHOR QUERY FORM

Dear Author,

During the preparation of your manuscript for publication, the questions listed below have arisen. Please attend to these matters and return this form with your proof.

Many thanks for your assistance.

<table>
<thead>
<tr>
<th>Query References</th>
<th>Query</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Authors: This list is now a combination of the keywords you sent me plus some supplied by the publishers. Please approve or amend as necessary.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>*AUTHOR: To match the reference list, should Freidberg 2003 be changed to Friedberg 2003? Please advise</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>*AUTHOR: To match the reference list, should Dolan and Humphrey 2000 be changed to Dolan and Humphrey 2004? Please advise</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>*AUTHOR: Ewert and De Toit 2005 has not been included in the Reference List, please supply full publication details.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>*AUTHOR: Comext database, has not been cited in the text. Please indicate where it should be cited; or delete from the Reference List.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>*AUTHOR: To match the reference list, should Gibbon and Riisgaard (2013) be changed to Gibbon and Riisgaard (2014)? Please advise</td>
<td></td>
</tr>
</tbody>
</table>

Note: The query which is preceded by * is added by Toppan Best-set.
Required software to e-Annotate PDFs: Adobe Acrobat Professional or Adobe Reader (version 8.0 or above). (Note that this document uses screenshots from Adobe Reader X)
The latest version of Acrobat Reader can be downloaded for free at: http://get.adobe.com/reader/

Once you have Acrobat Reader open on your computer, click on the Comment tab at the right of the toolbar:

This will open up a panel down the right side of the document. The majority of tools you will use for annotating your proof will be in the Annotations section, pictured opposite. We’ve picked out some of these tools below:

1. **Replace (Ins) Tool** – for replacing text.
   - 08/06/2011 15:31:38

   **How to use it**
   - Highlight a word or sentence.
   - Click on the Replace (Ins) icon in the Annotations section.
   - Type the replacement text into the blue box that appears.

2. **Strikethrough (Del) Tool** – for deleting text.
   - Which led

   **How to use it**
   - Highlight a word or sentence.
   - Click on the Strikethrough (Del) icon in the Annotations section.

3. **Add note to text** Tool – for highlighting a section to be changed to bold or italic.
   - VAR

   **How to use it**
   - Highlight the relevant section of text.
   - Click on the Add note to text icon in the Annotations section.
   - Type instruction on what should be changed regarding the text into the yellow box that appears.

4. **Add sticky note** Tool – for making notes at specific points in the text.
   - 08/06/2011 15:18:08

   **How to use it**
   - Click on the Add sticky note icon in the Annotations section.
   - Click at the point in the proof where the comment should be inserted.
   - Type the comment into the yellow box that appears.
5. **Attach File Tool** – for inserting large amounts of text or replacement figures.

How to use it:
- Click on the Attach File icon in the Annotations section.
- Click on the proof to where you'd like the attached file to be linked.
- Select the file to be attached from your computer or network.
- Select the colour and type of icon that will appear in the proof. Click OK.

6. **Add stamp Tool** – for approving a proof if no corrections are required.

How to use it:
- Click on the Add stamp icon in the Annotations section.
- Select the stamp you want to use. (The Approved stamp is usually available directly in the menu that appears).
- Click on the proof where you’d like the stamp to appear. (Where a proof is to be approved as it is, this would normally be on the first page).

7. **Drawing Markups Tools** – for drawing shapes, lines and freeform annotations on proofs and commenting on these marks.

How to use it:
- Click on one of the shapes in the Drawing Markups section.
- Click on the proof at the relevant point and draw the selected shape with the cursor.
- To add a comment to the drawn shape, move the cursor over the shape until an arrowhead appears.
- Double click on the shape and type any text in the red box that appears.

For further information on how to annotate proofs, click on the Help menu to reveal a list of further options: