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**Voice, Choice, and Governance:
The Case of Tanzania's Fairtrade Coffee Co-operatives**

Shannon Sutton

A thesis submitted in partial fulfillment of the requirements of the
University of London for the Degree of Doctor of Philosophy

Queen Mary, University of London

March 2014

Statement of Originality

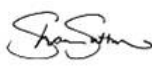
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Abstract

This research contributes to the growing body of knowledge about Fairtrade's impact on producers by assessing voice and governance within producer organizations. I employ Fung and Wright's (2003) framework of Empowered Participatory Governance (EPG) as a tool for understanding the challenges of collaborative governance as they relate to Fairtrade. EPG combines participation, decentralized decision-making, continuous deliberation and engagement, and co-operation between parties and interests, and as such is well suited to a consideration of Fairtrade governance. Through exploring EPG's principles, design properties, and enabling conditions related to Fairtrade, I aim to learn more about whether or not this international system is truly achieving collaborative governance that enables individual producers to have a 'stronger voice'. I consider Fung and Wright's (2003) notion of countervailing power as a means of understanding how power structures may be challenged to the advantage of those who are typically marginalized within Fairtrade's governance processes, and incorporate Hirschman's (1970) work on exit, voice, and loyalty in order to explore alternatives to voice.

This multiple case study focuses on Fairtrade coffee co-operatives in Tanzania. Over a period of two years, I conducted 139 individual interviews with key informants, managers, Board members, and producers in East Africa, held focus groups, and observed many events. Overall I found that Fairtrade creates opportunities for producer voice through its governance structures when (i) governance is collaborative and (ii) producers have substantial and equal access to capacity building. However, when individuals do not feel as though they have a voice, exit becomes a viable alternative.

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List of Acronyms

AGM	Annual General Meeting
ATO	Alternative Trade Organization (see FTO)
CBD	Coffee Berry Disease
CCA	Canadian Co-operative Association
CDD	Co-operative Development Department
CLAC	Coordinadora Latinoamericana y del Caribe de Pequeños Productores de Comercio Justo
CLR	Coffee Leaf Rust
CPU	Central Pulper Unit
CRMP	Cooperative Modernization and Reform Project 2005-2015
CWD	Coffee Wilt Disease
DALDO	District Agricultural Officer
DCO	District Co-operative Officers
DCSMS	District Coffee Subject Matter Specialist
EPG	Empowered Participatory Governance
FLO	Fairtrade International
FLO-CERT	Fairtrade International Certification
FTA	Fairtrade Africa
FTC	Fairtrade Certified
FTO	Fairtrade Organization (see ATO)
FUNDEPPO	Foundation of Organized Small Producers
G32	Group of 32
ICA	International Co-operative Alliance
ILO	International Labour Organization
IMF	International Monetary Fund
IMO	Institute of Marketecology
KCU	Kagera Cooperative Union
KDCU	Karagwe District Cooperative Union
KNCI-JVE	Kilimanjaro New Cooperative Initiative – Joint Venture Enterprise
KNCU	Kilimanjaro Native Cooperative Union
LI	Labeling Initiative (now National Fairtrade Organization)
MEMCOOP	Member Empowerment in Cooperatives
MUCCoBS	Moshi University College of Co-operative and Business Studies
NAPP	Network of Asian and Pacific Producers
NFO	National Fairtrade Organization
NGO	Non-Governmental Organization
PCS	Primary Co-operative Society
PSR	Producer Services and Relations Unit
RSTGA	Rungwe Smallholder Tea Growers Association
SACCO(s)	Savings and Credit Cooperative (Society)
SPO	Small Producers' Organization
TaCRI	Tanzanian Coffee Research Institute
TCA	Tanzania Coffee Association
TCB	Tanzanian Coffee Board
TCCCo	Tanzanian Coffee Curing Company
TCG	Tanganyika Coffee Growers Association
TFC	Tanzanian Federation of Co-operatives
TSh	Tanzanian Shilling

UK	United Kingdom
US	United States
VICOBA	Village Co-operative Bank
WFTO	World Fair Trade Organization
WTO	World Trade Organization

A Note on Interview References

Interviews are labeled according to Group (G) and Respondent (R). There are four interview groups: Group 1, 2, 3, and 4. As an example, the first respondent from Group 1 would be referred to as G1 R1. A list of all respondents can be found in Appendices 9, 10, 11, and 12.

1.1 Why Fairtrade?

Fairtrade products have grown at a rapid pace in recent years. They are now available in 125 countries and over 3,000 companies worldwide are involved with Fairtrade (Fairtrade International, 2013a). Despite challenging economic times, consumers spent 4.8 billion euros on Fairtrade in 2012, of which over 1.9 million was spent in the United Kingdom (Fairtrade International, 2013a). Fairtrade International (FLO), the standard-setting organization for Fairtrade, claims that “By buying into Fairtrade consumers support producers who are struggling to improve their lives”, citing price, premiums, partnerships, and empowerment as the four key benefits to producers (Fairtrade International, 2013b). With regards to the latter, a recent ten-year review of the Fairtrade literature confirms that there is strong evidence of empowerment impacts flowing from Fairtrade participation (Nelson and Pound, 2009). But just what is meant by the term ‘participation’ and how do individual producers benefit from participating in Fairtrade?

According to FLO’s 2010-2011 Annual Report, “A major part of Fairtrade International’s global strategy is to give producers and workers a stronger voice within the system.” (Fairtrade International, 2012a) FLO’s 2013-2015 strategy commits the organization to working to “strengthen our global Fairtrade system, increasing the voice of producers [...]” (Fairtrade International, 2013c) While various changes aimed at giving producers more of a voice within Fairtrade’s formalized governance structures have been made over the past decade, determining the impact on individual producers and their organizations is a challenging task. One thing is clear, however: an exploration of voice and governance must begin at the producer level – the pillar of the system. Unless there exist strong governance structures for producers and their organizations, initiatives at other levels of the Fairtrade system will be challenged.

This study is informed by my own experience as a Fairtrade practitioner¹, as well as Fairtrade research I conducted in Peru for my Master’s degree. Through this previous research I set out to explore the importance of the Fairtrade price, as well as the capacity building effects of the system. In order to do so, I engaged in a single case study of

¹ Prior to this research, I worked in communications at Fairtrade Canada and Fairtrade cocoa co-operative La Siembra/Camino.

cocoa farmers at Cooperativa Naranjillo in Peru in 2009. Over four months, 62 interviews, and many opportunities for participant observation, I found evidence of Fairtrade's role in facilitating capacity building. I identified the usage of Fairtrade premiums as a causal mechanism, yet also illustrated the existence of multiple causation in this process due to the existence of other actors. Throughout the research I explored the importance of democratic organizational structures with regards to allocating Fairtrade premiums and identified potential issues of representation with regards to how decisions are made. As outlined in Sutton (2013a), in line with other analysts' findings (Bacon, 2005, Nicholls and Opal, 2005, Reynolds et al., 2004), I also discovered that the Fairtrade price may be less important than other elements of the system.

In this Tanzanian research I aim to contribute to the growing body of knowledge about Fairtrade's impact on producers by assessing voice and governance within producer organizations. As Fairtrade works through the co-operative model for small producers, the governance system that I assess is the producer co-operative model. I employ Fung and Wright's (2003) framework of Empowered Participatory Governance (EPG) as a tool for understanding the challenges of collaborative governance as they relate to Fairtrade. Through exploring EPG's principles, design properties, and enabling conditions related to Fairtrade, I aim to learn more about whether or not this international system is truly achieving collaborative governance that enables individual producers to have a 'stronger voice'.

1.2 The Research Question

This primary question I ask is: *How does Fairtrade give producers a voice in decision-making?* I draw on a broad review of the literature, further outlined in Chapter Two of this paper, as well as qualitative fieldwork in East Africa, as a means of addressing this question. I approach this problems using Layder's (1993) Research Map to outline the relevant literature, which also allowed me to narrow down my focus (Appendix 1).

Based on the literature review and my own previous experience as a Fairtrade practitioner, I anticipated that I would find out that Fairtrade gives some producers a voice, but that there are also issues of representation with regards to who is involved and how decisions are made. I therefore incorporated various secondary questions, including: *Which governance structures are in place? Who participates? Who might be left out?*

1.3 Overview of the Methodology

I employ a multiple case study methodology in order to examine the relationship between the Fairtrade system and participation in decision-making. As the country with the most Fairtrade producers in the world, Tanzania presents an interesting study focus. However, it is also the country's rich history of African socialism and its contemporary policy environment that make for fascinating research. I selected three case studies: Fairtrade unions Kilimanjaro Native Co-operative Union (KNCU), Kagera Co-operative Union (KCU), and Karagwe District Co-operative Union (KDCU), as well as several breakaway groups that separated from KNCU years ago.

I conducted the research in 2011 and 2012 over a period of two years, including six months in East Africa for three field trips. I held 139 interviews with Fairtrade and Tanzanian key informants, co-operative managerial staff and Board of Directors members, and small-scale coffee producers. I also held five focus groups, reviewed documents such as membership lists and financial data, and engaged in direct observation of farmers' fields and homes, co-operative meetings, weighing stations, the coffee auction, factories, conferences, and Fairtrade premium projects.

1.4 Chapter Outline

Following this introduction, the dissertation is laid out in two parts: Part I comprises the contextual and literature review chapters, including the theory, methods, and case studies. Chapter 2 introduces Fairtrade and co-operative governance, the theoretical framework of Empowered Participatory Governance (Fung and Wright, 2003) as it relates to Fairtrade co-operatives, and Hirschman's (1970) approach to exit, voice, and loyalty as a means of exploring alternatives to participation. In Chapter 3 I outline the country context of Tanzania, both historical and contemporary, as well as the coffee sector, while Chapter 4 provides an overview of the case study and field research.

In Part II, I move on to discuss the findings. Chapter 5 focuses on how the findings from the Fairtrade co-operatives map onto the EPG model, identifying a partial fit. In Chapter 6, I explore exit as an alternative focus through a study of breakaway groups and coffee sales to private traders. In Chapter 7, I consider the potential of capacity

building to act as a countervailing power. Finally, Chapter 8 comprises an overview of the main findings, limitations, and recommendations from this research, as well as the conclusion.

1.5 Findings and Contribution

Overall my hypothesis proves true. While Fairtrade gives some producers a voice, there are issues of representation with regards to who is involved and how decisions are made. I therefore conclude that Fairtrade gives producers a voice in decision-making when (i) governance structures are collaborative and (ii) producers have substantial and equal access to capacity building. Only then might it be possible to say that producers have a voice in decision-making. Without collaborative governance structures in place, Fairtrade may fail in its efforts to facilitate producer participation.

I find that, while producers are involved in decision-making, there are barriers to participation in deliberation, challenges with management and Board members, and heavy State involvement. Overall I find KNCU to be the most problematic of the three unions, the reasons for which are outlined in Chapter 5. As there is less of an opportunity for voice at this organization, producers are more likely to exit and I outline this process in Chapter 6. I identify these breakaway groups as a potential countervailing power, while also exploring individual exit among those who sell to private buyers. In Chapter 7 I consider how capacity building might serve to provide producers with enhanced options for voice and outline the essential role that capacity building can play. I find that various bodies currently provide capacity building, but that these efforts often privilege individuals such as managers or Board members. The exception to this is organic producers, who tend to benefit more than their conventional counterparts. I conclude that more capacity building is needed, particularly for women who experience many barriers to participation.

I provide policy implications in Chapter 8, where I also attempt to disentangle the impact of Fairtrade from the co-operative model in order to determine how the findings map onto the EPG framework. I outline the importance of a potential shift in focus to the primary society, rather than the union, for Fairtrade. This comprises an understanding of group and individual exit and the countervailing power that this may

foster. I also outline the essential role of capacity building, as Fairtrade and other groups could be doing more to provide much-needed capacity building to producers.

PART I: THEORY, METHODS, AND CASE STUDIES

Chapter 2: Collaborative Governance at Fairtrade Co-ops

2.1 Introduction

This chapter explores theories of collaborative governance as a means of understanding how Fairtrade may give producers a voice in decision-making. I begin with an overview and definition of co-operatives and the Fairtrade system, considering the intersection between co-operatives and Fairtrade while hypothesizing that governance plays a key role in this relationship between Fairtrade and voice. As Fairtrade works through the co-operative model for smallholder farmers, it is critical to consider how co-operatives function to facilitate - or potentially block - producer participation in decision-making.

I then introduce Fung and Wright's (2003), Empowered Participatory Governance (EPG) model as a theoretical framework for this exploration. EPG combines participation, decentralized decision-making, continuous deliberation and engagement, and co-operation between parties and interests. This approach emphasizes devolution to local units whilst maintaining centralized co-ordination and supervision, and as such is well suited to a consideration of Fairtrade governance. I aim to discern if EPG's principles, design properties, enabling conditions, and institutional objectives provide an effective model for learning more about whether or not Fairtrade is truly achieving collaborative governance that enables individual producers to have a 'stronger voice'. I also consider Fung and Wright's (2003) notion of countervailing power as a means of understanding representation as it pertains to those individuals who are typically marginalized within Fairtrade's governance processes. Through a review of the relevant Fairtrade, governance, and co-operative literature, I outline how Fairtrade, in theory, fits the model of EPG, and present this as an appropriate model. Finally, I bring in Hirschman's notions of exit, voice, and loyalty, introducing the options that individuals might pursue when they do not feel that they have an opportunity to exercise voice in their co-operatives.

2.2 Defining Co-operatives

Worldwide, over 800 million people are members of a co-operative², ranging from small-scale to multi-million dollar businesses (International Co-operative Alliance, 2012). A 1994 United Nations report suggests that co-operatives contribute to securing livelihoods for half the world's population (International Labour Office, 2001). Co-operatives play a major role in rural agriculture, as over 50 per cent of global agricultural production is marketed through co-operatives (Smith, 2004). While this model of enterprise is often associated with more traditional economic spheres such as agriculture and housing, co-operatives exist in many different sectors including funeral provision, schools, utilities, and the transport sector.

According to the International Labour Organization (ILO), a co-operative may be defined as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.” (International Labour Organization, 2002) The International Co-operative Alliance (ICA) lists seven principles that are common to all co-operatives: open membership, democratic member control, economic participation, autonomy and independence, education, cooperation, and concern for community (see Appendix 2). As Chambo (2009) summarizes, there are four main characteristics of co-operatives that follow the ICA principles: they are formed by a group of people with a specific need, they are created freely by members who make contributions to assets, they are governed democratically, and they are independently owned and controlled. Individuals typically purchase shares in their organizations that allow them to become members. The ICA states that members can exert democratic control as follows:

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner. (International Co-operative Alliance, 2012)

² The term ‘co-operative’ is often written as ‘cooperative’. While I use ‘co-operative’ in this dissertation, I have left the word in its original format for the purpose of quotations and titles (ex: District Cooperative Officer)

While I utilize the ICA definition of co-operatives for the purpose of this research, the ICA definition and principles cannot be considered universally accepted. According to Tallontire (1999), the ICA's conceptualization of co-operatives as part of a movement is one of various schools found in the co-operative literature, and has been criticized as being overly idealistic. She outlines two alternative schools of thought based on business and political motivations: (1) the functional school, which situates co-operatives as tools for ensuring that farmers receive agricultural and marketing services whilst positioning co-operatives as a countervailing power to the private sector and (2) the local organizational development school whereby co-operatives relate to the self-defined needs of people (Tallontire, 1999). I find elements of these two alternative conceptualizations in line with my findings, as farmers are often members of co-operatives for strict economic purposes or may have needs related to, for example, training while not viewing themselves as members of a larger movement. Producers may therefore be members of the co-operative for reasons other than their social and cultural needs or aspirations, as the ICA definition implies. Various alternative co-operative conceptualizations are based strictly on economic approaches, and economists studying farmer co-operatives tend to view co-operatives in three ways: (1) as a form of vertical integration for otherwise independent firms, (2) as an independent business enterprise similar to an investor-owned firm, and (3) as a coalition of firms with a diffuse decision-making structure (Staatz, 1989). While I find these first two definitions overly simplistic given the multi-dimensional reasons individuals have for joining, and staying in, their co-operatives, this third definition is of interest to this discussion of decision-making and addresses heterogeneity in a way that the ICA definition does not.

This "diffuse decision-making" conceptualization views co-operatives as coalitions of participants who each possess their own objectives and will participate so long as they feel those objectives are being met. Staatz (1989) asserts that, when co-operative membership is heterogeneous, there is a need to balance benefits among its various members in order to preserve the stability of the organization. This is, of course, a delicate balance to achieve. While Booth (1985, 309-310) claims that the co-operative is capable of "meeting employee demands for participation in enterprise decision-making," Bonin et al. (1993) note that democratic decision-making is often considered cumbersome given the heterogeneous nature of workers. As Cleaver (2005b) observes in her research on social capital in Tanzania, voices, especially those of the poorest, are often excluded from public fora. Given the potential for participation to exclude many

of those who should be involved, it is important to consider exactly how decision-making occurs in co-operatives, as well as who might be left out of these processes. Ownership and control are interlinked in the co-operative model. However, this connection is challenged by how actors, such as managers, ensure membership control, as well as the roles that elected Board members and appointed management officials take on (Jussila et al., 2007, Spear, 2004). Mellor et al. (1988, 174) suggest that “genuine participation in decision-making within cooperatives is severely limited.” They elaborate:

For decision-making to rest on the basis of equality poses even more difficulties. While it is a fundamental principle of cooperation that one member receives one vote, we have argued that the realities of power are considerably different. [...] Although, for most people, democracy remains the key element of cooperation, its practice can by no means be accepted as inevitable. (Mellor et al., 1988, 175)

It is important to note that the term ‘co-operative’ is employed in diverse ways by many different organizations. While members may be able to participate directly in decision-making in smaller co-operatives, larger co-operatives instead require a general committee to represent members. This is indeed the case in this research, as the secondary unions that I explore herein are extremely large, comprising between 20,000 and 70,000 farmers each. Elected representatives are responsible for decisions related to the use of the Fairtrade social premium and the election of Board members, and decisions are taken at an Annual General Meeting (Prevezer, 2013). Delegates are thus “vested with the power to reach decisions in accordance with members’ interests.” (Mellor et al., 1988, 114) A high potential for conflict results from efforts to encourage participation in decision-making and successful meetings are therefore fundamental to the co-operative’s democratic health (Mellor et al., 1988, 117). This has clear implications for governance, as the democratic decision-making that is assumed according the ICA’s definition could foreseeably be challenged by an organization’s sheer size.

Unfortunately, relatively little is known about co-operative governance. This topic tends to be under-theorized in comparison to the literature on corporate governance (Cornforth, 2004). Although some attempts have been made to combine theories, such as agency and stewardship theory, in order to understand the model’s complexity (see Cornforth 2004), relatively little attention has been paid to co-operative governance (Spear, 2004). While some authors have written about governance at the Board level in

relationship to co-operatives (Cornforth, 2002, Cornforth, 2004, Spear, 2004, Spear et al., 2007), there is not much in the academic literature about co-operative Boards. This has even been referred to as a “black box of governance” (Pettigrew and McNulty, 1995). There is a particular gap in the literature on co-operatives in the global South, which differ greatly from their northern counterparts. Studies of co-operative governance tend to be based in Europe or North America, and little is known about the African co-operative context (Cornforth, 2002, Cornforth, 2004). As Shaw (2006a, 1&6) states:

The co-operative sector as a whole remains poorly understood and its specific governance challenges remain as yet largely unexplored. [...] For many co-operatives in developing countries, there is a further major challenge to the implementation of the [Co-operative] Principles – autonomy and independence have yet to become a reality.

I aim to contribute to this gap in the literature on Tanzanian co-operatives. Other work on African co-operatives was underway in 2013 (Borda-Rodriguez and Vicari, 2013, Hannan, 2013, Hartley, 2012, Vicari and Borda-Rodriguez, 2013), and this research is therefore part of a small but growing body of literature aimed at exploring co-operative governance on the African continent.

2.2.1 Co-ops and Fairtrade

The co-operative structure is mandatory at Fairtrade’s Small Producer Organizations (SPOs), and the Fairtrade system incorporates this model as a fundamental element of its governance structures (Prevezer, 2013). This is more than simply a regulatory feature; there is also a clear alignment between co-operatives and Fairtrade. Develtere and Pollett (2008, 71) claim that the Fairtrade movement resembles the co-operative movement’s “pursuit of economic development in a spirit of justice and solidarity.” As outlined in the Canadian Co-operative Association (CCA)’s 2010 Fairtrade resolution:

[C]o-operatives are a fundamental part of the fair trade movement and the majority of fair trade producers are members of co-operatives and co-operatives provide a support network for small farmers who are amongst the poorest farmers on earth, [...] the overall principles of fair trade as defined by the Fair Trade Labelling Organization have much in common with the principles of co-operation. (Canadian Co-operative Association, 2010)

Fairtrade follows the ILO’s Recommendation 193 on the promotion of co-operatives (Fairtrade International, 2011e). Recommendation 193, the only international legal and

policy framework on co-operatives, upholds the ICA Co-operative Principles while underscoring the business orientation of co-operatives and the role of the State in creating an enabling environment for these enterprises (Salazar-Xirinachs, 2012, Smith, 2004). The Fairtrade certification standards state that members should be able to hold the Board of Directors accountable and that organizations “should have democratic structures in place and a transparent administration that allows members and the board to have effective control over the organization.” (Fairtrade International, 2011e, 30) The organization must have (a) a General Assembly as the highest decision making body where all major decisions are discussed and taken, (b) equal voting rights for all members (which may be done through a system of delegates), and (c) a Board chosen in free, fair, and transparent elections (Fairtrade International, 2011e).

It is important to emphasize that the co-operative model exists separately from the Fairtrade system, although Fairtrade works through this structure for small producer organizations (Fairtrade International, 2011e). We must be careful not to conflate the two, as benefits may mistakenly be attributed to Fairtrade rather than the co-operative model. I therefore aim to disentangle the role of Fairtrade from the role of the co-operative, although the two are, of course, interlinked.

2.3 The Fairtrade System

This section provides an overview of Fairtrade governance and the evolution of the certification system as a background to the upcoming discussion of EPG’s fit to Fairtrade. Fairtrade began as a means of connecting Southern producers with Northern partners via a system of rules and principles. While its roots can be traced back to various starting points, Fridell (2004, 2006) notes that the Fairtrade network first emerged during the 1940s. The early fair trade³ movement aimed to create alternative markets for producers in the global South, and was primarily composed of Alternative Trade Organizations (ATOs). However, fair trade underwent significant changes in the 1980s, moving from a focus on handicrafts and specialized world shops towards agricultural commodities and mainstream commercial outlets such as supermarkets

³ Within this paper I use the term ‘Fairtrade’ to refer to the certification and labeling system governed by Fairtrade International, and ‘fair trade’ to refer to the broader movement comprising both labeled and unlabelled goods. It should be noted that some of the authors quoted herein utilize these terms differently, and as such I have kept the original spelling when quoting secondary material.

(Anderson, 2013, Bennett, 2013, Cremona and Marin Duran, 2013).⁴ Instead of forging an alternative to conventional trade, it began to move towards carving out access to conventional markets. As a result, Fairtrade certification was born. The first Fairtrade certification system originated in the Netherlands in 1988, and in 1997 FLO (originally short for Fairtrade Labelling Organizations International, today known as Fairtrade International) was established as the membership-based international certification and standard-setting umbrella agency for Fairtrade (Bennett, 2013). Some of the great modern-day debates in Fairtrade centre around the topic of mainstreaming and a potential shift from a producer-led to a consumer-led model (Barrientos and Smith, 2007). There are criticisms that Fairtrade no longer follows a ‘partnership’ model with producers in its approach and has instead been co-opted by corporate interests (Jaffee, 2007, Reynolds, 2009). Anderson (2013), in contrast, argues that the origins of Fairtrade may have been idealized or misunderstood. This is clearly a nuanced debate and one that I do not engage in here; suffice it to say that Fairtrade has a complex and controversial historical and contemporary approach to governance.

Today there are Fairtrade standards for over 300 raw products ranging from coffee to cotton, fresh fruit, and sports balls (Fairtrade International, 2013a). FLO (2013b) claims that Fairtrade aims to address the imbalance of power in trading relationships, unstable markets, and the injustices of conventional trade. A commonly accepted definition, created in 2001 by an association of fair trade networks known as FINE, is:

Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. (FINE, 2001)

FLO has certification processes for both SPOs and hired labour situations; here I explore only the former. Upon joining the Fairtrade system, SPOs commit to various tenets including environmental sustainability, democracy, transparency, equal opportunities for women, and the abolition of labour abuses such as forced or child labour. These organizations must also meet buyers’ contract demands related to volume, timing, and quality. In exchange, they are guaranteed fair prices, access to advance credit, long-term contracts with buyers, and social and business development premiums. While FLO requires SPOs to be composed primarily of smallholders who run their

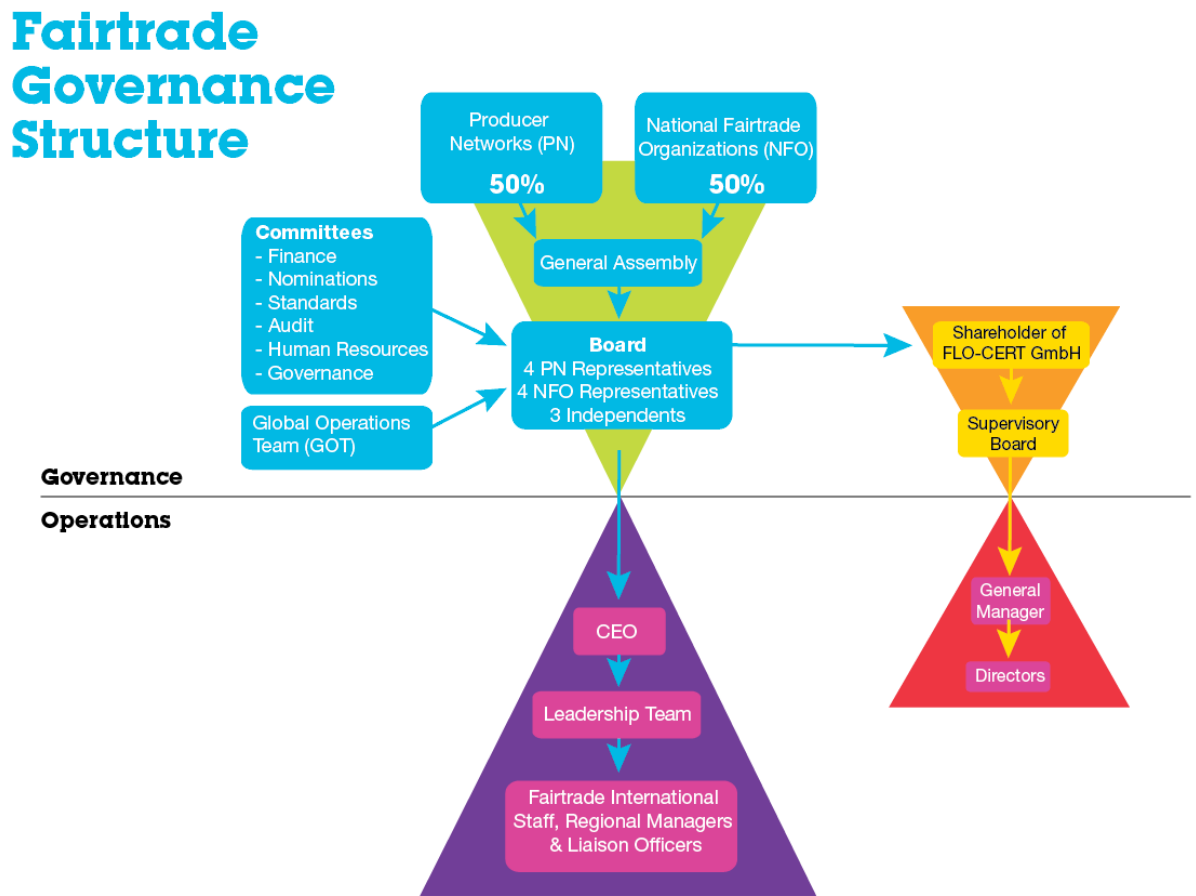
⁴ For a comprehensive overview of this evolution in Fairtrade, see Bennett (2013).

farms mainly through the use of their own and their family's labour, up to 49 per cent of the output can be sourced from other suppliers who may depend on hired labour (Fairtrade International, 2011e). In addition, small producers are allowed to hire workers: migrant and temporary workers in the case of less labour-intensive goods such as coffee, and permanent workers for highly labour-intensive goods such as cane sugar. The heterogeneity amongst co-operative members is an important consideration, and one that I explore in a later section on representation.

A General Assembly (comprising Producer Networks and Labelling Initiatives) and a Board of Directors govern the not-for-profit association FLO (see Figure 1). The Board is elected by the General Assembly and oversees the organization's strategic direction and financial management, appointing the Chief Executive Officer and members of its six committees (Cremona and Marin Duran, 2013). FLO is a shareholder in the separately managed FLO-CERT - an independent, ISO 65 accredited certification company. Internationally, there are 19 National Fairtrade Organizations (NFOs), previously known as Labelling Initiatives (LIs) covering 24 countries across Europe, Japan, North America, Australia and New Zealand, and two marketing initiatives in South Africa and the Czech Republic engaged in Fairtrade certification. Countries participating in Fairtrade use these national licensing bodies and award the Fairtrade certification mark to products rather than companies (Doherty et al., 2012).

As outlined by Nicholls and Opal (2005), Fairtrade International monitors co-operatives through FLO-CERT. FLO-CERT auditors visit on an annual basis, and randomly select primary societies to visit from the unions' master lists. This is known as a group certification model, as it entails both an audit of the organization (the union in this case) as well as randomized visits to a sample of farmers. Shields (2013) finds that, while the audit may not be comprehensive or robust, it is of considerable depth as the auditor inspects many documents, conducts interviews, and holds a closing meeting.

Figure 1: Fairtrade's Governance Structures



Source: Fairtrade International (2013b)

I primarily focus on three benefits of Fairtrade: price, premiums, and capacity building. These benefits came up frequently during interviews, and are also common themes in the literature. The Fairtrade price is the most studied of all the Fairtrade criteria, and Fairtrade publicity tends to focus on this aspect of the system (Becchetti, 2008, Prevezer, 2013). Overall, the findings on the financial benefits of the Fairtrade price are mixed. Many scholars highlight the role of the Fairtrade price in increasing household income levels and reducing poverty (Calo and Wise, 2005, Jaffee, 2007, Ruben, 2008) while others find that Fairtrade producers receive insignificantly higher, and at times even lower, incomes than their non-Fairtrade counterparts (Bacon, 2005, Beuchelt and Zeller, 2011, Granville and Telford, 2013, Zuniga-Arias and Segura, 2008). Unions receive the Fairtrade price for their coffee when they are able to sell to Fairtrade buyers, which may vary from high proportions of around 60 per cent for coffee to as low as five to ten per cent in the case of tea (Prevezer 2013). In the case of Tanzania's coffee unions that I studied, this is typically somewhere between 15 and 50 per cent of sales.

How this money benefits the primary societies is another matter, as this can be very difficult to assess when all sales are not made to Fairtrade buyers.

For many analysts, price is not the most important aspect of Fairtrade. As Nicholls and Opal (2005, 29) assert, “[T]he impact of the Fair Trade model goes beyond merely offering a fair price to producers, often encompassing important externalities and community benefits.” Similarly, in their study of seven Latin American Fairtrade coffee co-operatives, Reynolds et al. (2004) find that the social benefits of Fairtrade are as important as the economic benefits. During previous research with Fairtrade cocoa farmers in Peru, I concluded that the Fairtrade premium, rather than price, may be the most significant aspect of the Fairtrade system (Sutton, 2013a). The Fairtrade premium exists separately from the guaranteed minimum price. It consists of a lump sum of money paid annually to producer co-operatives, according to annual Fairtrade sales, and is available to the co-operative for discretionary spending. This money goes into a communal fund for workers and farmers aimed at improving their social, economic, and environmental conditions. These premiums are often used for community projects, with benefits extending beyond members to the wider population (CEval, 2012). However, a great deal depends on strong governance procedures for effective premium allocation, and this premium impact is relatively unexplored in the literature (Doherty et al., 2012).

In the 2009 Charter of Fairtrade Principles, the World Fair Trade Organization (WFTO) and FLO cite capacity building and empowerment as core principles of Fairtrade (WFTO and Fairtrade International, 2009). As confirmation of the latter, throughout the Fairtrade literature, analysts often claim that participating in Fairtrade empowers producers (Dolan, 2010a, Granville and Telford, 2013, Moore, 2004, Nelson and Pound, 2009, Nicholls and Opal, 2005, Reynolds et al., 2004); a ten-year review of the Fairtrade literature asserts that there is strong evidence of empowerment impacts flowing from Fairtrade participation (Nelson and Pound, 2009). These authors cite evidence in the literature of benefits to participation including producer knowledge of and perspectives on Fairtrade, social cohesion, an ability to resolve disputes, networking, and democratic organization. Reed (2009) lists increased market access, enhanced market knowledge, improved product quality, and broadened community benefits as basic components of the empowerment that Fairtrade aims to facilitate.

In terms of capacity building, a large-scale 2012 study commissioned by two FTOs (Fairtrade Germany and Max Havelaar Foundation Switzerland) on Kenyan flowers, Ghanaian cocoa, coffee and bananas in Peru, and cotton and tea in India found that Fairtrade led to increased education and training programs at producer organizations, in comparison to non-Fairtrade control groups (CEval, 2012). It noted that training programs are an important step towards participation in decision-making within the organization and that Fairtrade supports such programs (CEval, 2012). This study found that producers at all six organizations would like to receive even more training, while also noting that the low educational levels of producers posed challenges for training (CEval, 2012). Similarly, in their South African research with landless labourers, Granville and Telford (2013) identify capacity building effects including an adult literacy program, a farm management course, computer and financial training, and feelings of empowerment. Other analysts have also provided evidence of capacity building effects for Fairtrade producers and workers (Nelson and Pound, 2009, Reed, 2009, Raynolds et al., 2004, Sutton, 2013a).

Yet there remains a limited, and frequently depoliticized, understanding regarding the exact nature of Fairtrade participation, as well as how it may facilitate empowerment. The term ‘empowerment’, although frequently used with broad strokes in the Fairtrade literature, is open to endless definitions. As Cleaver (1999, 599) notes: “As ‘empowerment’ has become a buzzword in development, an essential objective or participation, its radical, challenging, and transformatory edge has been lost.” In order to further explore Fairtrade participation and the decision-making processes within Fairtrade, I use theories on collaborative governance to frame this research.

2.4 Empowered Participatory Governance

Collaborative governance is a relatively new strategy of governing that has emerged in the past two decades. Operationalized by managers and policymakers, it has frequently been implemented in reaction to governance failures, or as organizations have grown and developed their institutional capacity (Ansell and Gash, 2008). As a result, it is open to different interpretations, although they do tend to center around common themes. Ansell and Gash (2008, 543) note in their meta-analytical review of the literature: “Collaborative governance, as it has come to be known, brings public and

private stakeholders together in collective forums with public agencies to engage in consensus-oriented decision making.” These authors claim that collaborative governance strategies are particularly suited to situations that require ongoing cooperation, as might be seen in the case of Fairtrade when groups at various levels of the system are required to make decisions related to Board appointments, Fairtrade premium allocation, or Fairtrade compliance monitoring. They state that collaboration implies that stakeholders will have real responsibility for policy outcomes and, as a result, they impose the condition that stakeholders are directly engaged in decision-making, a criterion that is implicit in much of the collaborative governance literature (Ansell and Gash, 2008).

Ansell and Gash (2008) suggest an examination of the critical variables that influence whether or not this mode of governance will produce successful collaboration, identifying these variables as: the prior history of conflict or cooperation, incentives for stakeholders to participate, power and resource imbalances, leadership, and institutional design. They also provide a series of factors that are crucial within the collaborative process itself: face-to-face dialogue, trust building, and the development of commitment and shared understanding. These authors view collaborative governance as a time-consuming process that requires building trust among stakeholders, and argue that face-to-face dialogue is a necessary but insufficient condition for collaboration. An important feature of Ansell and Gash’s theory of collaborative governance is that decision-making in collaborative forums is consensus-oriented; even if consensus is not reached, the parties strive to reach agreement in a deliberative forum.

Fung (2006) similarly highlights the importance of the process, noting that although some participants may disagree with the group’s deliberations, they may be more easily reconciled to the outcome because, through these discussions, others have justified their positions. Fung and Wright (2003, 263) use the term Empowered Participatory Governance (EPG) and define it as: “[A] form of collaborative governance that distinctively combines popular participation, decentralized decision-making, practical focus, continuous deliberation and engagement, and cooperation between parties and interests that frequently find themselves on opposite sides of political and social questions.” EPG is both participatory and collaborative, emphasizing devolution to local units whilst maintaining centralized co-ordination and supervision, and as such is well suited to an exploration of Fairtrade governance. This theoretical framework has been

adopted by others to explore participatory budgeting in Brazil, decentralized planning in India, habitat conservation planning under the U.S. Endangered Species Act, and Chicago school governance and policing (Fung and Wright, 2003). While the use of EPG establishes a high benchmark for an analysis of Fairtrade, the potential identification of areas of weakness in Fairtrade's fit with EPG may prove useful with regards to FLO's efforts to strengthen producer participation (Sutton, 2013b). I incorporate various elements of Ansell and Gash' (2008) approach to collaborative governance into the model utilized herein.

2.4.1 General Principles

2.4.1.1 Bottom-up Participation

Various principles are fundamental to the EPG model, one of which is bottom-up participation, or the involvement of ordinary people. This does not imply that experts should not be engaged, but rather that they should not have exclusive decision-making power. Changes to Fairtrade governance in recent years, in what Tallontire (2009, 1005) refers to as "an effort to bring fair trade closer to its roots," reflect the ever-evolving nature of the system's formalized governance structures. The shift from an alternative market, based on connecting consumers with producers, to a product-based certification scheme is an important consideration as Fairtrade's governance structures and, accordingly, the nature of producer participation, have evolved over the years (Tallontire, 2009, VanderHoff Boersma, 2002, VanderHoff Boersma, 2009). This inevitably poses challenges with regards to how the more than 1.3 million farmers and workers who belong to the Fairtrade system are engaged in it. Tallontire (2009) claims that FLO is working to enhance producer participation in governance, has recognized that it must provide space and resources for producer empowerment, and has accordingly altered Fairtrade's standards and governance structures to facilitate greater producer participation. Other analysts are critical of Fairtrade's governance structures (Bacon, 2010, Renard, 2005) and question the nature of producer participation in the system.

Smith (2009) finds that, while it is essential to continuously assess FLO's governance and practices, the organization has gradually responded to the need for improvement. FLO has created a standards and policy working group and a certification committee

(both including producers), has developed a producer support network of field Liaison Officers (LOs) known as the Producer Services and Relations Unit (PSR), and has increased producer ownership to 50 per cent with the 2011 restructuring of the General Assembly (Fairtrade International, 2011c). As seen in Figure 1, the General Assembly is now composed of equal numbers of producers and representatives from National Fairtrade Organizations (NFOs)⁵ around the world. FLO has also added producers to the Board of Directors, and there are now four producer seats on the Board, along with five NFO representatives, two traders, and three independents. FLO stated in its 2007 Annual Report that this "demonstrates genuine stakeholder participation at the very highest level of FLO. Now sitting on the Board, producer representatives are better placed to shape the future direction of FLO." (Fairtrade International, 2008, 23) However, as Bacon (2010, 134) observes: "The FLO board is also notable for the organisations that are not at the table, or, to put it more directly, the missing seats and the voices without votes." Raynolds et al. (2007) similarly claim that these recent governance modifications have done little to curtail dissatisfaction with the certification system.

In an effort to bring more producer voices to the table, FLO has supported the development of two regional producer networks in recent years: Fairtrade Africa (FTA) and the Network of Asian and Pacific Producers (NAPP). Along with the CLAC (Coordinadora Latinoamericana y del Caribe de Pequeños Productores de Comercio Justo) in Latin America and the Caribbean, FLO claims to maintain contact with producers through these three producer networks. It emphasizes its support for the producer networks' desire to take on greater responsibility within the system, citing capacity building as a means of accomplishing this and highlighting the importance of supporting the producer networks so that "over time they are on a more equal footing with the [National Fairtrade Organizations] as members of Fairtrade." (Fairtrade International, 2009, 6) Currently, however, very little is known about the producer networks; there have been no studies on their effectiveness and, as such, analysts have called for independent research into this aspect of the system (Nelson and Pound, 2009). As this research is focused on Tanzania, the co-operatives that I explore belong to Fairtrade Africa. I interviewed several individuals from Fairtrade Africa but in the end decided not to focus on the producer networks. The reason for this is that most of the

⁵ Previously known as Labelling Initiatives (LIs), NFOs market and promote Fairtrade products in consumer countries.

producers I interviewed had never heard of Fairtrade, let alone the regional networks, and a very different methodology would have been required for a study on the producer networks. However, I did collect substantial information on Fairtrade Africa throughout this process, and a brief overview of this network can be found in Appendix 3.

Despite all these governance changes at the institutional level, there are barriers to individual participation in decision-making that may relate to, amongst other factors, producer skills, confidence, and knowledge. In their Latin American coffee study, Reynolds et al. (2004) highlight the socio-economic limitations of Fairtrade co-operative members who may have little formal education or command of the languages of international markets. While these authors do not see these challenges as insurmountable, they identify participation as a complex term and find that the groups studied in their research struggle to achieve broad participation, as many producers feel unqualified to take on organizational activities. In an example from the global North, while discussing Vermont town meetings in an interview with Archon Fung (2004, 48), Jane Mansbridge states:

To get anyone to a meeting who expects to be in a minority or not have the right words to explain himself or herself in a particular setting usually requires special effort, both to get members of those groups to the meeting and to increase the chance of being heard when they do attend.

2.4.1.2 Deliberation

A second principle of EPG is deliberation. In deliberative decision-making, participants listen to each other's positions, consider them, and then generate group choices (Fung and Wright, 2003). This method is privileged in this framework over alternative forms of decision-making such as aggregation whereby the preferences of individuals are combined (as seen in the case of voting). In ideal deliberation, the only power that should prevail is, as Habermas puts it, "the force of the better argument." (1984, 25) This is, as Cohen and Rogers (2003) describe, a force that is available to everyone involved. However, deliberation is also highly complex, as Iris Young notes in an interview with Archon Fung (2004: 50):

To be democratic, deliberation must be widely inclusive of the major interests, opinions, and social perspectives of differently situated groups. The more social, economic, and political inequality among them, the more cultural differences they have, the wider the variance in value commitments, and the more contentious deliberation is likely to be.

With regards to deliberation in Fairtrade, the system requires that individuals at various levels of Fairtrade's formalized governance structures engage in democratic decision-making. Individual co-operatives are required to hold an annual General Assembly where producers (or their elected representatives) gather to discuss relevant issues and vote on issues such as how the Fairtrade premiums will be used. The specific methods for achieving co-operative democracy, however, are left open. While this approach to decision-making is often framed as deliberation within Fairtrade, it may in fact be closer to aggregation, given the emphasis on voting. As Fung and Wright (2003, 18) note, one danger is that "some participants will use their power to manipulate and enhance positions motivated by particularistic interests." There is an expectation that producers can participate in this decision-making process as they know their rights; for example in the case of the Fairtrade premiums it is assumed that they know the dollar amount and understand the different ways that they can spend the premium (CEval, 2012). However, this may not always be the case. In cases where SPOs have many members, as will be seen in this field research, producers elect delegates to act as their representatives. Therefore, both the applicability of the model to Fairtrade's voting processes and the role of power relations within this type of decision-making merit further exploration.

According to Taylor, Murray et al. (2005), Fairtrade's formal governance structures aim to achieve fairness and justice through democratic decision-making at all levels. As Doherty et al. (2012) note, democratic structures allow Fairtrade's benefits to be shared in a more equitable way amongst producers. However, given the sheer number of producers involved in Fairtrade, this is highly challenging. As Francisco VanderHoff Boersma (2002, 20), one of the original actors in Fairtrade, noted almost a decade ago: "For some time there was no democratic participation within the [Fairtrade] system, which has only recently been partially resolved. There is a pyramid decision-making structure, where the top often does not communicate with the base." VanderHoff Boersma (2009), seven years after his 2002 criticisms, again observes that there remains a need to democratize Fairtrade's formal structures in order to give a greater voice to small producers. Bacon (2010) asserts that a fairer Fairtrade would involve more Southern civil society, grassroots stakeholders and consumers in the governance processes, combined with organizational reforms aimed at improving transparency, flexibility, and accountability.

Producers often possess very little knowledge of Fairtrade, and in many cases do not even realize that their organization is Fairtrade Certified (CEval, 2012, Dolan, 2010b, Getz and Shreck, 2006, Lyon, 2007a, Shreck, 2002, Smith, 2010b, Taylor, 2002). As Nelson and Pound (2009, 24) explain, “Whilst it could be said that Fairtrade is meeting the practical interests of these growers and workers, the strategic interests of individual farmers are not being met if they are not gaining awareness of Fairtrade.” These analysts unearth large discrepancies related to the level of information that producers are provided with. They find that individual producer knowledge of Fairtrade is limited, as more knowledge is housed at the co-operative management level (Nelson and Pound, 2009). While it may seem quite surprising that producers often do not understand what Fairtrade is, this is in fact quite common (Taylor, 2002). Taylor (2002) outlines three levels of individual understanding: (1) farmers who know little about Fairtrade, (2) delegates who are provided with more information and have the ability to develop new skills and (3) elected leaders and technical advisors who develop contact with an increased number of people. As evidence of this, in their research on banana farmers in the Dominican Republic, Getz & Shreck (2006) find that the majority of farmers are uninformed about Fairtrade and feel disengaged from the certification process due to the fact that Fairtrade officials tend to spend time with leaders, rather than producers, when visiting. Despite this, there is evidence of Fairtrade’s effectiveness vis-à-vis how information is shared. Nicholls (2008, 6) highlights knowledge transfer as an indirect benefit of Fairtrade, claiming that the required organizational structure, specifically co-operatives and representative bodies, results in “faster and more codified” knowledge transfer. He refers to the manner in which information is shared through the formalized communication channels found within the Fairtrade system, and attributes this to the fact that co-operatives must have representative bodies that are responsible for distributing the Fairtrade premiums.

2.4.2 Design Properties

Beyond these general principles, Fung and Wright list design properties that are integral to advancing the principles outlined above, two of which are devolution and centralized co-ordination. These authors highlight the importance of devolving power to local action units composed of individuals who are responsible for devising and implementing solutions, and who are held accountable for them. While these local units have considerable power and discretion, they are not autonomous; rather, there are linkages of accountability and communication. This is reflective of how SPOs are set

up, as the organizations belonging to Fairtrade have the power to make their own decisions. Of course, these decisions must be in line with the Fairtrade criteria as overseen by FLO, and there is therefore centralized supervision and coordination by the umbrella organization.

Within this study I explore devolution at the level of producer organizations, considering the role of delegates. The General Assembly at the union is typically composed of delegates from each primary society, who ostensibly represent other members. Fairtrade premium allocation provides a useful means of assessing centralized coordination and devolution. Both the Fairtrade premiums and the Fairtrade Development Plan are voted on by the General Assembly of delegates at the union Annual General Meeting (AGM). Important questions to ask at this stage therefore relate to who participates in these meetings, and how decisions are made.

The importance of assessing the delegate system is exemplified in a recent case study I conducted in Peru. While carrying out Fairtrade cocoa research with farmers, I discovered that all 32 delegates were male – elected through democratic processes, but all male nonetheless (Sutton, 2013a). These 32 male delegates are charged with representing groups of farmers and come together to vote on the usage of the Fairtrade premiums at the General Assembly. While they were elected through a democratic system as stipulated by Fairtrade, this poses a potential problem in that a wide range of interests may not be represented, and clearly illustrates a potential issue of low female representation at some producer co-operatives.

2.4.3 Enabling Conditions

The third element of EPG, after general principles and design properties, refers to the background conditions that may help or hinder EPG. The largest obstacle identified within the EPG model is that of power relations. Fung and Wright (2003, 18) are realistic about the danger of some participants attempting to use their power to manipulate decisions and state “While it may sometimes be difficult for a casual outside observer to distinguish between genuine deliberation and disingenuous posturing, the difference is nevertheless fundamental and generally apparent to participants.” Although these authors note that absolute equality is not required, they state that there must be sufficient equality of power between participants for the purposes of deliberation. Ansell and Gash (2008) claim that the collaborative governance process is

disposed to manipulation by strong stakeholders if some actors cannot participate equality or do not have the capacity or resources to participate. They outline the importance of developing measures to ensure that less powerful voices are represented and state: “If there are significant power/resource imbalances between stakeholders, such that important stakeholders cannot participate in a meaningful way, then effective collaborative governance requires a commitment to a positive strategy of empowerment and representation of weaker or disadvantaged stakeholders.” (Ansell and Gash, 2008, 551)

Some analysts assert that power is omnipresent in decision-making, as participation always incorporates power relations to a certain degree (Chambers, 2005, Cornwall, 2004, Foucault, 1980). Chambers (2005) deems them unavoidable and necessary, noting that power relations must be acknowledged and managed well. Cornwall (2002, 2004) cites a need to understand power relations, asserting that it is essential to make sense of them in order to understand participation in any given space. Foucault (1980), of course, views power as multidimensional and present in all interactions. He highlights the importance of understanding how power operates at multiple levels, noting, “Power must be analyzed as something that circulates, or rather as something which only functions in the form of a chain. It is never localized here or there...Power is employed and exercised through a net-like organization.” (Foucault, 1980, 98) As noted by Fung and Wright (2003), a certain degree of equality is required for the purposes of deliberation and democratic decision-making, and as such it is essential for organizations to understand and manage power relations.

In this analysis I adopt the assumption that power is present in all interactions and has large implications for participation. Within Fairtrade, power relations are an extremely important consideration. As noted earlier, it is often those in elite managerial positions who are privy to the participatory discussions that FLO aims to foster. Lyon and Moberg (2010, 200) observe: “[...] discourses of reciprocity rarely penetrate beyond the small minority of well-travelled leaders from (Fairtrade) producer groups.” As one example of this, while engaged in ethnographic field research with Tanzanian Fairtrade beekeepers, Fisher (1997) identified a cleavage between management and producer representatives, as well as varying degrees of influence among these representatives. She notes that alliances and divisions amongst producers, as well as between them and the management are central to the co-operative’s performance (Fisher, 1997). Clearly,

there is a need to learn more about these governance issues in order to better understand the power relations that exist. Cornwall (2002, 5) claims that “issues of power and difference may not only undermine the very possibility of equitable, consensual decision-making, they may also restrict the possibility of “thinking outside the box”, reinforcing hegemonic perspectives and status-quo reinforcing solutions.” In their discussion on power, Ansell and Gash (2008, 551) assert:

If some stakeholders do not have the capacity, organization, status, or resources to participate, or to participate on an equal footing with other stakeholders, the collaborative governance process will be prone to manipulation by stronger actors. [...] If there are significant power/resource imbalances between stakeholders, such that important stakeholders cannot participate in a meaningful way, then effective collaborative governance requires a commitment to a positive strategy of empowerment and representation of weaker or disadvantaged stakeholders.

In order for leaders to build broad and active participation, Lasker and Weiss (2003, 31) state that “the leaders need to get out into the community continually to see how people perceive the process, to establish new relationships, and to identify and engage new and diverse participants.” They argue that leaders must give participants a meaningful voice while encouraging participants to listen to each other. Furthermore, they must ensure that this is a broad array of diversity amongst participants in decision-making. As these authors outline:

[C]ommunity collaborations appear to benefit from having leaders and staff who believe deeply in the capacity of diverse people and organizations to work together to identify, understand, and solve community problems. These kinds of individuals understand and appreciate different perspectives, are able to bridge diverse cultures, and are comfortable sharing ideas, resources, and power. (Lasker and Weiss, 2003, 30)

I contend that a consideration of history is also key to understanding power dynamics. As this is not explicit in Fund & Wright’s model, I therefore borrow the element of ‘starting conditions’ from Ansell and Gash’ (2008) model of collaborative governance. These starting conditions include (i) power-resource knowledge asymmetries, (ii) incentives for and constraints on participation, and (iii) prehistory of cooperation or conflict (initial trust level). I am primarily interested in the third element, as these authors claim that the history of cooperation or conflict is essential in determining the initial trust level. Ansell and Gash (2008, 560) note that “Collaborative governance strategies are particularly suited for situations that require ongoing cooperation.” As

Fairtrade governance requires the ongoing cooperation of those involved (i.e. in order to make decisions related to Board appointments, Fairtrade premium allocation, and Fairtrade compliance monitoring), it does meet the criteria. I therefore consider historical relationships at both the institutional and organizational level of Fairtrade governance in this study. As Ansell and Gash (2008, 553) outline:

A prehistory of conflict is likely to express itself in low levels of trust, which in turn will produce low levels of commitment, strategies of manipulation, and dishonest communications [...] On the other hand, a history of successful past cooperation can create social capital and high levels of trust that produce a virtuous cycle of collaboration.

2.4.4 Institutional Objectives

Participation is employed within EPG in two very different ways - as both a means and as an end in itself. While the procedural elements of EPG may be considered desirable in themselves, they will also be judged by their consequences. Fung and Wright therefore (2003) call for an exploration of effectiveness, equity, and participatory character as a means of understanding institutional objectives. They state that individuals who possess intimate information may know how best to improve the situation and may be more committed to implementing these solutions; overall, they claim that deliberative decision-making is likely to generate superior solutions. They note, "The learning capacity of the system as a whole, therefore, may be enhanced by the combination of decentralized empowered deliberation and centralized coordination and feedback." (Fung and Wright, 2003, 25) They go on to highlight three features that lead to enhanced equity: delivering effective public action to those who do not generally enjoy this good, the inclusion of disadvantaged individuals who are typically excluded from these decisions, and deliberative group decision-making. Fung and Wright (2003, 26) describe this ideal deliberative process:

Parties make proposals and then justify them with reasons that the other parties in the group can support. A procedural norm of these groups is that they generate and adopt proposals that enjoy broad consensus support, though strict consensus is never a requirement. [...] Since the idea of fairness is infused in the practice of reasonable discussion, truly deliberative decision-making should tend toward more equitable outcomes than those regulated by power, status, money, or numbers.

How might broad participation serve to achieve development outcomes? Fung and Wright (2003) state that this occurs in two ways. Firstly, new channels of voice for

issues of importance to participants are established. Secondly, the quality of this participation may be higher. As Lasker and Weiss (2003, 29) assert:

In addition to giving people voice, the [collaborative] process also combines the complementary knowledge, skills, and resources of participants so they can create new ideas and strategies together. When that happens, the way the group thinks about problems and the way it addresses problems are often very different from where any of the participants started.

2.5 Theoretical Framework Overview

In Table 1, I provide an overview of the theoretical framework. This framework is primarily based on Fung & Wright's 2003 EPG model. However, I have also incorporated elements of Ansell & Gash's (2008) collaborative governance framework that I find relevant to this discussion. The table below therefore outlines where there is overlap in these approaches, as well as which authors informed the various elements of the theoretical framework.

Table 1: Theoretical Framework Overview

Fung & Wright's (2003) EPG Model			Ansell & Gash (2008) CG Model
Procedural	General Principles	<i>Practicality</i> ⁶	
		Participation	Stakeholders directly engage in decision-making
		Deliberation	Face-to-face dialogue
	Design Properties	Devolution	
		Centralized co-ordination	Shared understanding
		<i>State-centric</i>	
Enabling Conditions	Power Relations	Power and resource imbalances; leadership; trust-building	
Outcome-related	Institutional Objectives	Effectiveness	Institutional design
		Equity	
		Participation	
History			Prior history of conflict/co-operation

Source: Fung & Wright (2003), Ansell & Gash (2008)

In reflecting on the applicability of EPG to practical cases such as Fairtrade, Fung and Wright (2003) suggest three considerations based on how well experiments conform to EPG, the model's weaknesses, and the breadth of the scope. In order to assess the applicability of the EPG model to Fairtrade, I follow Fung & Wright's critical dimensions of fit. This involves asking the six questions outlined in Table 2 below, to which I have added a third column 'Within Fairtrade' where I consider how to apply this to the case of Fairtrade. The interview schedule used in interviews with managers, as well as the questionnaire for producers (both of which are further outlined in Chapter Four), are structured around these six dimensions.

⁶ Italicized terms are ones that I find less relevant to the research question and do not address herein.

Table 2: Critical Dimensions of Fit

Dimension	Question	Within Fairtrade
Deliberation	How genuinely deliberative are the actual decision-making processes?	<i>Is Fairtrade decision-making based on deliberation or aggregation? What is the level of face-to-face dialogue? How are the premium projects selected?</i>
Action	How effectively are decisions translated into action?	<i>Is there the capacity or will to implement these decisions within Fairtrade co-ops? Are decisions upheld?</i>
Monitoring	To what extent are the deliberative bodies able to effectively monitor the implementation of their decisions?	<i>Are the actors who make these decisions within Fairtrade's governance structures involved in monitoring them (i.e. Fairtrade premium usage)? Can they hold responsible parties accountable?</i>
Centralized Coordination and Power	To what extent do these reforms incorporate recombinant measures that coordinate the actions of local units and diffuse innovations among them?	<i>How are best practices and information shared across co-operatives?</i>
Schools of Democracy	To what extent do the deliberative processes constitute "schools for democracy"?	<i>Are the capacities of those who participate in Fairtrade increased? Are there other forms of capacity building?</i>
Outcomes	Are the actual outcomes of the entire process more desirable than those of prior institutional arrangements?	<i>Has Fairtrade made a difference?</i>

Source: Fung and Wright (2003) with author's own additions

Fung and Wright (2003) are very transparent about the potential problems with their EPG framework. In terms of their own criticisms of the model, they raise six primary concerns: (1) the domination of powerful actors, (2) "forum-shopping" by powerful individuals who use deliberative institutions when it suits them, (3) rent-seeking by interested parties, (4) a balkanization of politics, (5) apathy due to the high levels of commitment required, and (6) long-term sustainability (Fung and Wright, 2003, 33). I bear these criticisms in mind in my analysis, and also consider their final note on breadth of scope: overall they find that EPG makes a useful contribution to a large range of problems, while noting that it is not a strategy for universal reform.

There are various limitations to the use of the EPG model in this research project. Overall, it sets out a number of prescriptive standards that are divorced from real world situations. As will be seen in Chapter 5, there are many areas of weakness in Fairtrade's fit to EPG. While this is not surprising given the model's potential limitations that Fung and Wright (2003) acknowledge, outlined in the previous paragraph, it does raise the issue of how relevant EPG is for understanding collaborative governance within Fairtrade. While acknowledging this as a challenge, I demonstrate that the potential identification of areas of weakness in Fairtrade's fit with EPG may prove useful with regards to FLO's efforts to strengthen producer participation and, as such, there is indeed value in using this framework.

EPG is, in many ways, more of an application of a theoretical model than it is a theoretical framework in itself. While it has been utilized in innovative ways as a model for understanding strong collaborative governance, it may be less useful as a theory for analyzing how collaborative governance comes about. In order to address these theoretical limitations, I incorporate two additional theories: Ansell and Gash' (2008) approach to collaborative governance and Hirschman's (1970) work on exit, voice, and loyalty that follows in Section 2.7 on countervailing power. This allows for an enhanced understanding of issues neglected in the EPG model such as prior history, trust, alternatives to voice, and the factors that may cause individuals to avoid exit.

Additionally, EPG does not effectively address the issue of substantive, or meaningful, participation. Fung and Wright (2003) do remind us of the importance of exploring who gets left out and claim: "One lamentable fact of all contemporary democracies is that citizens who are advantaged in terms of their wealth, education, income, or membership in dominant racial and ethnic groups participate more frequently and effectively than those who are less well off." (Fung and Wright, 2003, 34) However, the EPG framework is not well-suited to an exploration of substantive participation and does not ensure a thorough exploration of representation and diversity. In the following section, I turn to a discussion on representation and diversity as a means of learning more about who participates in Fairtrade governance and who gets left out. This involves moving beyond bottom-up participation and governance processes to explore issues of equity in more detail. The topic of gender equity emerges as a particularly important one at this stage, and leads to a later discussion of female representation, barriers to participation

for women, and capacity building.

2.6 Representation and Diversity

The previous section addressed the applicability of EPG to Fairtrade's formalized governance structures, identifying a fit in many areas and also outlining several weaknesses. While it addressed issues such as barriers to participation and power relations, it is important to look beyond the vagueness of 'producer participation' to explore exactly which individuals are encapsulated in these efforts to foster more collaborative governance, as well as whose voices are heard. In this section I explore the category of 'small producer', considering heterogeneity at this level. In other words, I not only ask whether or not producers participate, but explore specifically *which* producers are more likely to be engaged in these collaborative processes. This is an important consideration as inclusion and diversity must be valued within collaborative governance, not only as normative principles, but for instrumental reasons: multiple perspectives may lead to more thoughtful decisions (Emerson et al., 2012).

As outlined earlier, the category of 'small producer' comprises landowners and the landless, women and men, and leaders and non-leaders; there is therefore a great deal of heterogeneity at Fairtrade co-operatives. Spear (2004, 43), writing about Board composition at democratic member-based organizations such as co-operatives, notes that: "Issues of representativeness of the 1-5% that do elect the board must also be raised, since they are often dominated by people from the same social or cultural group, having higher incomes, better education, and being members of community elites (thereby further reducing trust and legitimacy)." Spear et al. (2007,10) identify another problem as 'delegate syndrome', whereby delegates may act in their own interests rather than doing what is best for the organization. As Fung (2006) notes, academic accounts of participatory small group decision-making often find them to be no more inclusive than other kinds of governance and decision-making. He elaborates:

Voices of minority, less educated, diffident, or culturally subordinate participants are often drowned out by those who are wealthy, confident, accustomed to management, or otherwise privileged. Liabilities such as parochialism, lack of expertise, and resource constraints may impair the problem-solving and administrative capabilities of local organizations relative to centralized forms. (Fung, 2006, 8)

While Tallontire (2009) expresses optimism about recent changes to FLO's governance structures and processes, she calls for an increased understanding of heterogeneity at the producer level. She claims that, although important governance changes have been made in FLO and producer voices are starting to be heard, a greater understanding of the diversity of producer agendas is still required. Dolan (2010b) finds in her in-depth study of a Kenyan Fairtrade tea factory that producer representation is a major challenge at both the international and local levels within Fairtrade. She asserts that Fairtrade is "marked less by collaboration and consent than by patronage and exclusion." (Dolan, 2010b, 34) Arce (2009, 1039) asserts:

This suggests that policy decisions within the fair trade movement and businesses need to be based on a more differentiated view of the impacts of fair trade on producer communities, taking into consideration dynamic social processes and networks, including processes of social exclusion, in order to consider whether and how equity is to be achieved at the local level.

Unsurprisingly, in her review of the Fairtrade literature, Le Mare (2008) finds that everyone does not benefit equally from Fairtrade. She highlights tensions in a system that requires participants to be democratically organized, depicting the organizational dilemma of equating, "on the one hand, the need for expert knowledge on coffee markets to inform decisions, with the desire, on the other hand, for the widespread involvement of farmers, who do not understand market mechanisms, in the decision-making process." (Le Mare, 2008, 1931) In their research on coffee farmers, Taylor, Murray et al. (2005) note that Fairtrade incorporates diverse actors with varying interests. As a result, bringing these individuals together poses many challenges for facilitating participation. In Fairtrade then, a great deal depends on the role that individual producers or their delegates have in governance forums, such as the Annual General Assembly, as well as how necessary cooperation is for tasks such as determining the usage of the Fairtrade premium. Dolan (2010b, 158) states, "[...] while participation is a lauded touchstone of fair trade and the key to [Fairtrade International's] public credibility, producer representation remains a challenge at both international and local levels."

Drawing on a ten-month qualitative study with Tanzanian artisanal miners comprising focus groups and interviews, Fisher (2007) finds that opportunities are particularly limited for certain social categories including poor women, elderly people, and impoverished children. She outlines: "In this respect, although existing processes of

integration have to some extent incorporated claim holders into decision-making and communication processes, they have done little to bring out the ‘silent voices’ in artisanal mining.” (Fisher, 2007, 752) Similarly, in his 14-month anthropological research on Costa Rican coffee farmers and Nicaraguan migrant labourers, Luetchford (2007) finds that the most marginalized individuals within the coffee sector are landless workers, women, and migrants. He further claims “To be specific, what is obscured in this representation of the coffee industry, small farming families, the cooperative, and, by extension, fair trade, are inequalities between landed, land poor and landless, women and men, residents and migrants.” (Luetchford, 2007, 10) Smith (2010b), in her study of six organizations of banana farmers in four countries, also finds that Fairtrade has made limited progress in overcoming social inequalities, specifically with regards to how marginalized groups such as women and migrant workers participate in governance and act as representatives.

Other studies specify the marginalized groups that tend to be left out of these processes altogether, in particular women, migrant workers, and landless people. In their meta-analysis of 77 Fairtrade studies, Vagneron and Roquigny (2011, 10) observe that “different categories of beneficiaries have a different access to fair trade and the most discriminated social categories (e.g. women, temporary wage workers) benefit less from the positive impacts of fair trade.” They also note that 19 of 31 studies on inequality demonstrated that Fairtrade may even engender inequalities or exacerbate inequalities at the local level. These authors state that, by supporting a particular group of beneficiaries, Fairtrade has the potential to create conflict or highlight inequalities amongst individuals, such as women and men. They also find that Fairtrade may privilege some groups over others, or that the benefits may be restricted to a small group of individuals. In Fairtrade then, a great deal depends on the role that individual producers take on. Whilst SPO members may be able to participate directly in decision-making in smaller co-operatives, larger co-operatives instead require a General Assembly of delegates to represent members. This once again highlights the importance of focusing on the various levels of Fairtrade governance, rather than only the primary co-operative.

A consideration of gender equity is highly pertinent to this discussion of participation and representation. Rural women make up one quarter of the world’s population yet tend to have smaller and less profitable crops, receive five per cent of extension

services, and access only ten per cent of credit (United Nations, 2012a, World Bank, 2012). According to Fairtrade International (2013b), producer co-operatives commit to many principles when they join the Fairtrade system, one of which involves ensuring equal opportunities for women, and FLO was in the process of creating a gender strategy at the time of research. The Charter of Fairtrade Principles (WFTO and Fairtrade International, 2009) highlights equal opportunities for women and FLO follows ILO Conventions 100 and 111 on non-discrimination.

However, a review of the literature indicates that gender equity is not inherent in Fairtrade. While there are some concrete examples of gender equality at select organizations (Ronchi, 2002), this certainly cannot be assumed. As highlighted in two separate reviews of the Fairtrade literature (Le Mare 2008; Nelson and Pound 2009), much more needs to be done in order to further gender equity within Fairtrade. Nelson and Pound (2009, 33) claim that, “in most of the primary co-operatives Fairtrade is not having a significant impact on the prevailing gender inequalities and this is not a primary objective.” Taylor (2002) also finds that women do not play a prominent role in governance and that men tend to dominate decision-making in his study of seven cases in Latin America. Based on the same Fairtrade coffee meta-review, Murray et al. (2003) call for a strengthening of women’s participation in Fairtrade.

While Fairtrade International has taken strides towards increasing female participation, placing women on committees and Boards of Directors, much remains to be done. The issue is not straightforward. As Cornwall (2003, 1330) reminds us, “Increasing the numbers of women involved may serve instrumental goals, but will not necessarily address more fundamental issues of power. There is no reason to suppose that women, by virtue of their sex, are any more open to sharing power and control than men.” White (1996, 7) also notes that “simply being there doesn’t ensure that women have a real say; and, even if they do, there is no guarantee that they will speak for others in a similar situation.” By simply adding women to the equation, as one might with imposed quotas, Fairtrade may indeed ignore the issue of difference.

I do not attempt to assess the gender impact of Fairtrade, as this requires a separate study and alternative methodology. I do, however, highlight the importance of further research in this area and use a discussion of capacity building to highlight some of the challenges for women that training could serve to address. When I refer to gender, I

adopt the United Nations definition of “the social attributes and opportunities associated with being male and female and the relationships between women and men and girls and boys, as well as the relations between women and those between men.” (United Nations, 2013) It is also essential to note that ‘women’ are not homogeneous, in the same way that ‘small producers’ are not. As Smith (2013, 104) explains:

[W]ealthier or more educated women, or women with assets such as land, may be in a relatively strong bargaining position and will experience different relations with men and welfare outcomes from poor women dependent on male relatives for access to all resources.

How then to address the issue of representation, given the fact that, clearly, every individual who belongs to the Fairtrade system cannot be present or be an equal participant in decision-making? And how to establish this ‘stronger voice’ as Fairtrade aims to do? In the following section I introduce Fung and Wright’s (2003) notion of countervailing power as a means of understanding representation of those individuals who are typically marginalized within Fairtrade’s governance processes.

2.7 Countervailing Power

Collaborative governance emphasizes the importance of mobilizing those stakeholders who are typically less active and under-represented. As non-inclusive representation may threaten the legitimacy of collaborative outcomes, I consider how diversity may be promoted within EPG. While in a conventional adversarial model one might expect to find special interest groups and collective action, it is often assumed that these are not present within participatory collaboration. However, as outlined in the above discussion on representation and power relations, one can still find co-optation by elites and experts, as well as participatory ‘window dressing’ within this model. Fung and Wright note: “Both collaborative and adversarial modes of governance suffer from the characteristic danger that some interests and parties may be improperly subordinated for the sake of more powerful interests and groups.” (2003, 263)

In their discussion of EPG, Fung and Wright introduce ‘countervailing power’ as essential to EPG, defining this as:

[A] variety of mechanisms that reduce, and perhaps even neutralize, the power-advantages of ordinarily powerful actors. [...] Countervailing power is the too-

simple concept that describes how powerful actors with privileged access to decision-making venues may be challenged and even defeated from time to time by the weak and less organized. (Fung and Wright, 2003, 260)

Fung and Wright make four claims regarding countervailing power in collaborative governance. The first is that participatory collaboration, including EPG, will fail without countervailing power, as this presence can level the playing field and create conditions for fair collaboration. The second is that the forms of countervailing power often differ drastically between collaborative and adversarial models. They note that: “Participatory collaboration requires organizations with very different skills, sources of support, and bases of solidarity.” (Fung and Wright, 2003, 266) The third is that, as one might expect based on the second claim, countervailing power within these two governance models, adversarial and collaborative, is not interchangeable. The fourth and final claim is that, despite the fact that appropriately designed institutions can facilitate the presence of countervailing voices, collaborative rules and procedures will not necessarily generate suitable countervailing power as these sources typically arise outside of collaborative governance institutions.

Yet where does countervailing power come from? And can it erode solidarity and support within the organizations of the actors it challenges? Fung and Wright (2003, 266) note that there are “few conclusive findings regarding the operations, outcomes, or even prevalence of this emergent governance mode.” It may prove useful to learn more about whether or not countervailing power is present in Fairtrade and, if so, where it comes from and what its resulting impact is. Perhaps the 'stronger voice' that Fairtrade seeks to facilitate may only be established when there is a countervailing group (such as women, the illiterate, or migrant workers) who can ensure that collaborative participatory governance is truly representative. Therefore for collaborative participatory governance to exist in Fairtrade, and for these heterogeneous producer voices to be heard, the presence of a countervailing power may be necessary.

As outlined in Appendix 4, the producer network for Latin America and the Caribbean, the CLAC, presents an example of a countervailing power within Fairtrade. Fairtrade Africa, in contrast, does not appear to exist within the institutional system as a countervailing power. This is particularly evident in its willingness to represent all Fairtrade organizations, comprising both co-operatives and plantations, in contrast to the CLAC’s decision to only work with small-scale producers. I do, however, identify

countervailing power in the form of breakaway groups in the Kilimanjaro region that have separated for the purpose of their marketing activities, yet continue to exert pressure upon the larger unions. Hirschman's (1970) work on exit, voice, and loyalty provides a useful framework for exploring this.

2.7.1 Exit, Voice, and Loyalty

Hirschman's (1970) book *Exit, Voice and Loyalty* articulates the manner in which people may choose to leave an organization if it deteriorates and they perceive a decrease in quality or benefit. Hirschman's treatise explores how individuals respond when an organization deteriorates or demonstrates a diminished benefit to its members. While Hirschman's theory begins with the firm, he notes that it is largely applicable to "organizations that provide services to members without direct monetary counterpart" (Hirschman, 1970, 3), indicating that it is germane to the co-operative model. He asserts that organizations may undergo a "repairable lapse" from time to time and purports that individuals have two options when this happens: exit and voice (Hirschman, 1970, 2). Individuals either withdraw from the relationship or attempt to improve the relationship through a complaint or proposal for change; for example, citizens under political repression may either emigrate or protest, employees may either quit their jobs or express their concerns, and co-operative members may either leave the co-op or protest at meetings. As an example, in his work on labour unions, Freeman (1980) observes lower exit rates for unionists whose grievance system provides them with a "voice" alternative. I contend that the facilitation of voice via collaborative governance may be one reason why these individuals and organizations stay in Fairtrade. If the Fairtrade system does indeed facilitate 'voice' as it purports to do, perhaps the value that stakeholders place on engaging in collaboration outweighs the costs of leaving the system.

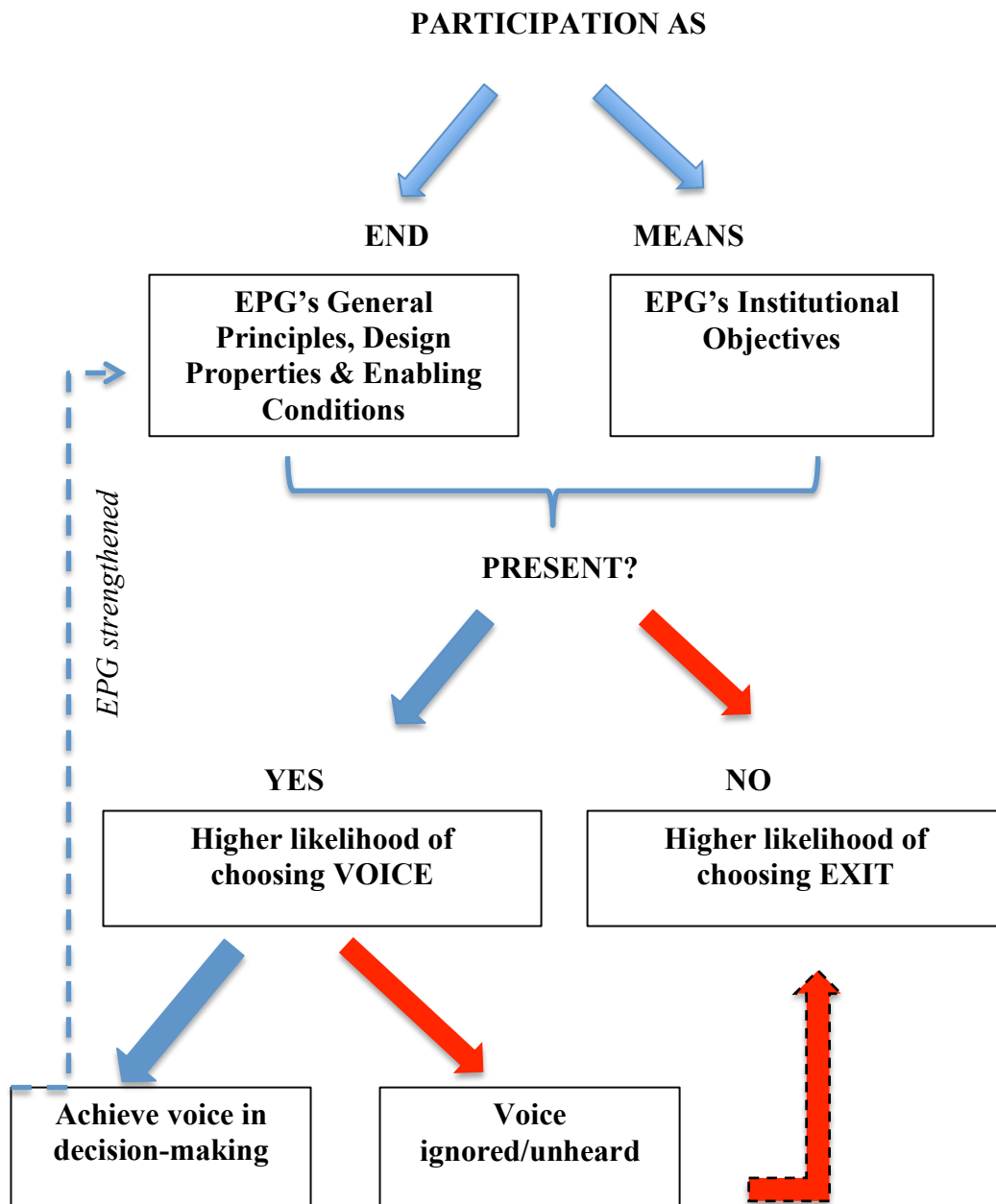
Both exit and voice can be used to identify signs of dissatisfaction or decline in an organization; however, there are large differences in these two approaches. Exit is linked to economic action, akin to Adam Smith's (1776) invisible hand that describes the self-regulating nature of markets. When an individual, such as a dissatisfied customer or, in this case, a co-operative member, chooses exit, it is a neat and impersonal process; Hirschman (1970) therefore identifies an economist's bias in favour of exit. Voice, in contrast, is information-rich, political, and complex; as Hirschman explains:

It is a far more “messy” concept [...]; it implies articulation of one’s critical opinions rather than a private, “secret” vote in the anonymity of a supermarket; and finally, it is direct and straightforward rather than roundabout. Voice is political action par excellence. (Hirschman, 1970, 16)

The greater the availability of exit, the less likely it is that voice will be used. However, the possibility of exit, whether it is made openly or simply understood, can strengthen the effectiveness of voice. In other words, willingness to use the voice mechanism is reduced by exit, but the effectiveness of voice is increased by exit (Hirschman, 1970). This is where Hirschman asserts that loyalty to the organization plays a role, as it may serve to reduce the possibility of exit, particularly when the alternatives are not appealing. He claims that, as a rule, “loyalty holds exit at bay and activates voice.” (Hirschman, 1970, 78) Loyalty may be defined as an important threshold that encompasses a commitment to stay with the organization, regardless of whether or not it changes (Saltman and von Ofter, 1989, Stryjan, 1987). Membership organizations, such as co-operatives, theoretically seek to have engaged members who are less likely to leave and typically aim to foster loyalty. According to Hirschman: “As a result of loyalty, these potentially most influential customers and members will stay on longer than they would ordinarily, in the hope or, rather, reasoned expectation that improvement or reform can be achieved ‘from within’.” (1970, 79) Loyalty can also raise the cost of exit and thus restore the balance; as a result of loyalty, “members may be locked into their organizations a little longer and thus use the voice option with greater determination and resourcefulness than would otherwise be the case.” (Hirschman, 1970, 83)

Hirschman’s notion of exit, voice, and loyalty can be mapped onto the EPG framework that I employ in this research. As seen in Figure 2, should EPG’s General Principles, Design Properties, Enabling Conditions, and Institutional Objectives (as outlined in Chapter 2) not be satisfied, one can imagine a higher likelihood that individuals will choose exit. This exit option is, of course, moderated by the loyalty that they experience towards the co-operative. In contrast, should all of EPG’s principles be met, one can imagine that there is a higher likelihood of choosing voice. If this leads to genuine engagement in collaborative governance, a voice in decision-making may be achieved. However, if this voice is unheard or ignored, as will be seen in the case of the G32, the exit option might then be viewed more favourably by these individuals.

Figure 2: EPG, Voice, and Exit



Source: Author's own based on Fung and Wright (2003) and Hirschman (1970)

2.8 Conclusion

Overall, I conclude that we can use EPG to explore whether or not Fairtrade gives producers a voice in decision-making, as it appears to provide a suitable framework for this exploration of collaborative governance. The task of facilitating 'stronger voices' for producers within Fairtrade is highly complex. Fung and Wright's (2003) EPG model provides a framework for unpacking the nature of producer participation that allows us to better understand the nature of collaborative governance. As I have argued, EPG's

notions of bottom-up participation, deliberation, and power relations are essential governance considerations at various levels of Fairtrade, stemming from the institutional level of Fairtrade International to the organizational and individual level. While FLO has demonstrated a commitment to improving producer participation and its governance structures appear to be evolving accordingly, much remains to be done to ensure that individual producers are genuinely engaged. Therefore, a consideration of representation and exclusion is essential to any discussion of participation, and FLO may be able to develop more effective policies and standards by carefully considering heterogeneity, diversity, and the marginalized, as well as recognizing countervailing power, at the various levels of its governance structures. Hirschman's approach to exit, voice, and loyalty provides a useful means of understanding countervailing power and the consequences of voices going unheard.

There are also implications for practice, relating to Fairtrade co-operatives for small producers. Firstly, this chapter's discussion is relevant to the capacity building efforts that FLO and other external organizations support and engage in. As highlighted in the discussions of bottom-up participation and representation, producers face many barriers to participation, as well as issues of potential inequity including a lack of representation within decision-making. Secondly, leadership and its accompanying power relations may require further attention by Fairtrade practitioners, as there is clearly the potential for imbalance at various levels of FLO. Thirdly, EPG provides a useful framework for assessing the nature of governance within FLO, and its application may be of interest to those individuals engaged in developing Fairtrade policy and standards.

3.1 Introduction

Tanzania's turbulent political landscape has played a large role in determining the nature of the country's co-operative movement. In this chapter I outline the history of agricultural co-operatives in Tanzania, the contemporary policy environment, and the potential for member-based co-operatives. The history of socialism under Nyerere's *ujamaa* affords an interesting contrast to today's version of 'African capitalism', and the liberalization that followed in the early 1990s dramatically changed Tanzania's agricultural policy. In order to understand the impact of these changes in the macro-environment, it is useful to consider the country's history throughout these periods of colonialism, independence, and post-structural adjustment liberalization.

I also explore the contemporary policy environment. Along with other African countries, such as Kenya, Uganda, and Ethiopia (Borda-Rodriguez and Vicari, 2013, Develtere et al., 2008), Tanzania is currently experiencing a co-operative renaissance. The prospects for revival are strong and certification systems such as Fairtrade and organic offer unions new market alternatives. However, while the government claims to support autonomy and independence for these institutions, it is not clear that this is the case in practice. I incorporate an overview of Tanzania's coffee sector here, which the unions that I include in this study all belong to.

3.2 African Co-operatives

According to the International Labour Organization (ILO), approximately seven per cent of the Africa population is affiliated with the co-operative movement (Marjurin, 2012). The roots of this movement are, however, quite different from those of the so-called developed countries, where co-operatives evolved more organically according to social movements and economic comparative advantage (Birchall and Simmons, 2009). Africa's co-operative model suffers from a legacy of heavy State involvement based on the export strategies of colonial governments. African agricultural co-operatives typically evolved through colonial efforts to ensure export and marketing opportunities for cash crops such as coffee, bananas, and cotton. Historically, these co-operatives were used as a tool for grouping producers into clusters in order to facilitate collection

of essential export commodities and cost effectiveness (Develtere, 2008). As a result, many were imposed by the State rather than developed through grassroots initiatives. Co-operatives in Africa were utilized as tools of government policy, which compromised co-operative autonomy (Theron, 2010). Following independence, it was common for these newly sovereign states to take over co-operatives as a means of developing rural areas. African governments had the power to direct the affairs of these organizations and, in the case of agricultural co-operatives, State Marketing Boards processed and exported crops such as coffee, thereby controlling the industry (Wanyama, Undated). These co-operatives were protected from competition and granted monopolies, as will be seen in the case of Tanzanian coffee, but lost their autonomy (Develtere et al., 2008). As Wanyama (Undated, 2) notes, “Cooperatives were subsequently engulfed into State politics, thereby losing their voluntary character that is in tandem with the principle of democratic member control.”

Following the International Monetary Fund (IMF)’s structural adjustment policies implemented in the early 1990s, the liberalization period aimed to allow co-operatives to separate themselves from State control (Develtere et al., 2008). Support services were withdrawn, often without contingency plans, and legal frameworks were restructured in order to promote ICA principles (Wanyama, Undated). Despite this, many of these co-operatives remained highly affected by the policies of their national governments. The World Bank, in the early nineties, found that government was often still highly involved following structural adjustment, contrary to the intended self-reliance of these organizations (Hussi et al., 1993). While African co-operatives became, ostensibly, member-run organizations, many retained government-run features following independence: they were still large, had somewhat inflexible governance structures, and were based on administrative regions (Tallontire, 1999). To complicate matters further, liberalization opened markets up to new actors who affected the monopoly status previously held by many co-operatives. These new buyers sought to maximize efficiency and offered competitive pricing (Wanyama, Undated). Many co-operatives collapsed, while others suffered from corruption and mismanagement as leaders experienced newfound freedom (Wanyama, Undated). Others, however, used this as an opportunity to reinvent themselves, perhaps restructuring or pursuing new markets and the acquisition of Fairtrade or organic certification. Wanyama (Undated) finds that, while this departure from State control was necessary, there remains a need for some form of government regulation.

While many of Africa's co-operatives did not survive independence, some pursued what Develtere et al. (2008, x) refer to as a "third generation co-operative model rooted in local communities, giving voice to local producers, and building strength in local economies." These authors identify a co-operative renaissance in Africa, particularly at the primary society level. Two of the key factors to success for the co-operatives studied are democratic governance and accountability, and these analysts claim that a better educated membership has emerged in recent years (Develtere et al., 2008, Shaw, 2006a). However, successful co-operatives still struggle to distance themselves from the State and to achieve autonomy and independence; while government involvement is slowly decreasing overall, it remains a significant problem. These authors outline two distinct perspectives on co-operatives today: (1) they became ineffective when the State took over and (2) they are the way forward for African development. They note:

[T]here is sufficient evidence to conclude that the cooperative sector has not withered away. Signs unmistakably indicate that cooperatives are still playing a determining role in the structuring of African societies: they are important economic operators in many sectors; they mobilize significant capital and social commitment; and they continue to be recognized by government and donors. (Develtere and Pollet, 2008, 39)

Develtere and Pollet (2008) find that African co-operatives today tend to have a heterogeneous membership base that mixes the poor with those who are less poor, and that Board members tend to have higher literacy rates and more land than other members. They note that, as one might expect based on research into social capital, the poor stand to gain from their participation in these co-operatives. However, the need to purchase shares may be prohibitive for poorer farmers. In addition, co-operatives tend to be "initiated, composed and run by men" and male members and directors tend to dominate (Develtere and Pollet, 2008, 59). In his research on Kenya, Wanyama (2008a) explains that this is often due to the traditional male ownership of agricultural assets, such as land and livestock; despite the fact that women are the dominant producers in the agricultural sector, men are the majority shareholders because they legally own the family land. Notwithstanding the ICA's first principle on open membership, gender remains a governance challenge at many of the co-operatives studied; levels of female participation are low and co-operatives tend to be male-dominated (Develtere et al., 2008).

Hussi et al. (1993) claim that co-operatives in Africa have demonstrated, at best, 'mediocre performance'. Develtere and Pollet (2008) observe that less prosperous co-operatives tend to struggle with weaknesses in leadership, management, and internal governance. Referring to this as the 'black box' of smallholder organizations, Shaw (2012) notes that it is not enough to simply be organized into a co-operative; rather, it is essential to closely examine issues related to governance, membership, and ownership. Many agricultural co-operative organizations have not yet attracted and cultivated quality management and the right leadership (Chambo, 2009). Chambo observes: "This has put more strains on the implementation of good governance programs of transparency, accountability and member participation for the development and expansion of the co-operative enterprise in Africa". (2009, 11) He calls for a review of member education, and a new generation of co-operatives attracting more effective management and good leadership. As Danda & Bamanyisa (2011, 234) note, "Adherence of leaders to major foundations and principles of good governance, including participation, transparency, effectiveness, equity, rule of law and accountability, are cornerstones for strong and resilient co-operatives honestly serving members."

Pollet (2009, 28), in his survey of nine African countries, finds that co-operatives in the East African countries of Kenya, Tanzania, and Uganda "are developing well and are becoming more prominent as a civil society force." The number of co-operatives and co-operative membership in Tanzania has been on the rise in recent years. Pollet (2009) notes that Tanzania had 5730 registered co-operatives in 2005 and 8597 in 2008, approximately 80 per cent of which were deemed active, and that membership in co-operative increased from 600,000 to 1,600,000 during this same period. He attributes this expansion to intensive promotional work by the Cooperative Development Department in Tanzania that "created conditions favourable to formation of cooperatives." (Pollet, 2009, 5) It should be noted, however, that many of these organizations are Savings and Credit Cooperatives (SACCOs) rather than agricultural co-operatives.⁷

⁷ Savings and Credit Cooperatives (SACCOs) are defined as "organisations formed by individuals who freely pool their financial resources together and make them available for the provision of a range of financial services to the members. They are user-owned financial institutions where the members mobilise savings and later, place them at the disposal of members to finance their economic needs." (Chambo 2004)

3.3 Country Context: Tanzania

In sub-Saharan Africa, 63 per cent of the population lives in rural areas where they are typically active in agriculture; the United Republic of Tanzania is above this average with a rural population of 75 per cent in 2010 (World Bank, 2012a, World Bank, 2013). Tanzania relies heavily on export crops and the country's main agricultural exports include tea, cotton, cashew nuts, fruit, vegetables, and coffee - the subject of this research project. While the agricultural sector has under-performed in recent years, the Tanzanian government is investing a growing share of its budget in agriculture (World Bank, 2013). Further details on Tanzania are provided in Appendix 5.

An understanding of the country's history, and the role of the State, is critical to this study's exploration of governance in the co-operative sector. The past century in Tanzania has seen the development of Africa's first native coffee co-operative, post-independence co-operative support followed by disbandment of the co-op sector, and post-liberalization capitalism. According to Bee (1996), Tanzania's co-operative history can be classified into six main periods, outlined in Table 3.

Table 3: Tanzania's Co-operative History

Period	Classification
1925 – 1961	Growth of indigenous co-operatives
1961 – 1967	Nationalistic period: expansion of co-operatives
1967 – 1976	Infusion of the <i>ujamaa</i> ideology into co-operation
1976 – 1984	Dissolution of co-operatives and parastatalization
1982 – 1991	Reinstatement of co-operatives and retreat of the parastatal sector
1991 on	Deofficialization of co-operatives and privatization

Source: Bee (1996)

3.3.1 Colonialism and Independence

Dating back to the 1880s, French Jesuit missionaries were the first to introduce Arabica coffee, one of the country's most important crops, into Kilimanjaro (Tanzania Coffee Board, 2010). During the German colonial period, which began in the 1880s, agriculture was organized into three production spheres: white settlers, plantation companies, and African smallholders (Ponte, 2002). This did not change much with the commencement of the British colonial period in 1919, and in 1925 the Kilimanjaro Native Planters

Association (KNPA) was formed in order to bulk and market Chagga (Bantu-speaking indigenous people) coffee in the Moshi District. This was also intended, according to the Tanzania Coffee Board (2010), to protect the interests of small farmers. This was the first indigenous association of Africa coffee farmers and was created in order to address the monopoly of the crop by European settlers (Develtere et al., 2008). It did not, however, become a co-operative until 1932 when the *Cooperatives Ordinance* was enacted. In 1933 KNPA became the Kilimanjaro Native Co-operative Union (KNCU), one of the case studies I explore, and was registered with 11 primary cooperative societies. Aside from KNCU, the colonial government did not generally support the development of the co-operative movement. It did, however, intervene in crop marketing in the 1940s, at which time Marketing Boards were established for most crops and were used to keep farm gate prices low (Ponte, 2002).

In 1961, Tanzania ushered in a new era of independence and nationalization with the election of Julius Nyerere, also known as *mwalimu* (Swahili for teacher, Nyerere's profession prior to joining politics). He held the presidency from 1961 to 1985 after being elected in a one-party election. Nyerere unified the population through the common language of Swahili and his party's policies aimed to promote a cohesive national identity in lieu of tribal alliances. Early in his presidency, Nyerere supported and worked to expand co-operatives, at times into areas with little co-operative tradition or experience playing a large supervisory and regulatory role in expanding the “government-enforced cooperative movement.” (Baffes, 2003, 2) With the Arusha Declaration of 1967, Nyerere's Tanganyika African National Union party's *Policy on Socialism and Self Reliance*, he outlined the ideals of *ujamaa* (familyhood or brotherhood). This radical plan committed Tanzania to a socialist approach to development; Nyerere viewed self-help as the means towards rural development and, as such, co-operatives became an important tool for achieving this self-reliance through economic growth. However, this model of development was challenged by many factors including low export commodity prices and the 1970s oil crisis.

3.3.2 Villagization and Liberalization

Over time, Nyerere's support for the co-operative model shifted. The era following the Arusha Declaration was characterized by heavy government intervention, land nationalization, and strict agricultural marketing control (Ponte, 2002). In the early 1970s, Nyerere moved the majority of the country's population to farms in a

controversial forced villagization program. Up to 11 million people moved, either voluntarily or forcibly, between 1973 and 1976 (Mapolu, 1990). While the 1975 *Villages and Ujamaa Villages Act* declared these villages to be multi-purpose co-operatives, in 1976 the government abruptly announced the disbandment of all co-operative unions (Bryceson, 1983). Nyerere justified this with claims that co-operatives could not cope with his “quick march to socialism.” (Birchall and Simmons, 2010, 474) The government dissolved and liquidated all co-operative societies on assertions of inefficiency, corruption, and undemocratic practices (Bee, 2011). All land became common property managed by the State, and from 1976 to 1982 co-operatives were replaced with crop authorities responsible for marketing agricultural produce directly from the villages. Cooperatives became parastatals, losing both their assets and their independence. According to Kanyinga et al (1994, 38), “From 1964 until the early 1980s Tanzania was the site of one of Africa’s furthest-going forms of statism, that is, of systematic efforts by the state to penetrate/dissolve civil society and remould it in the image of the state itself.”

In the early 1980s, Tanzania's agricultural production stagnated due to external factors such as weak international demand for agricultural products and deteriorating international terms of trade, combined with public overspending and excessive government intervention (Ponte, 2002). As a result, there were calls to revive co-operatives (Tallontire, 1999). Six years following their dissolution, Tanzanian parliament reinstated marketing co-operatives with a *1982 Co-operative Societies Act*. However, as Tallontire claims (1999, 185):

The 1982 Co-operative Societies Act that reinstated the unions did not tackle many of the problems in the marketing system, nor problems endemic to co-operatives prior to their abolition. Co-operatives in Tanzania were essentially government institutions operating in a monopoly marketing system.

Resisting the World Bank and International Monetary Fund's structural adjustment policies, Nyerere eventually stepped down in 1985 after five terms as president. In 1986, Nyerere's successor, Ali Hassan Mwinyi, embraced market liberalization and negotiated structural and economic adjustment programs with the International Monetary Fund (IMF) and the World Bank (Ponte, 2002). The co-operative unions had amassed huge debts by 1989, which the government publicly admitted responsibility for and later forgave 88 per cent of (Birchall and Simmons, 2010).

The 1991 *Cooperative Societies Act* made co-operatives autonomous from the government. Factories were established to replace the parastatal companies of Tanzania's Coffee Marketing Board system, and the co-operative unions lost much of the coffee curing market share (Ponte, 2002). Private traders, both local and foreign, rapidly eroded the dominance of co-operatives in the marketing of agricultural products. These private companies were now able to go straight to the coffee farm to buy, and farmers could sell to these private buyers rather than the co-operative.

There remains a legacy of government intervention in Tanzania today. The country's co-operatives remain suspicious that the government will one day again take over or disband co-operatives, and there continues to be a perception that today's co-operatives still belong to the government (Chambo, 2006). According to Birchall and Simmons (2010), loyalty has suffered:

The loyalty of farmers, some of whom have still not been paid for crops sold to a co-op some years ago, will take a long time to get back. Linked to this is the question of governance in the two key coffee unions, Kagera (KCU) and Kilimanjaro (KNCU). There has been reform, and both unions are making an impact on farmers' incomes through fair trade. However, a careful watch needs to be made to ensure they remain well governed and managed in a 'lean' way so that the maximum of benefit goes back to the farmers. (Birchall and Simmons, 2010, 493-494)

3.4 Contemporary Structures and State Intervention

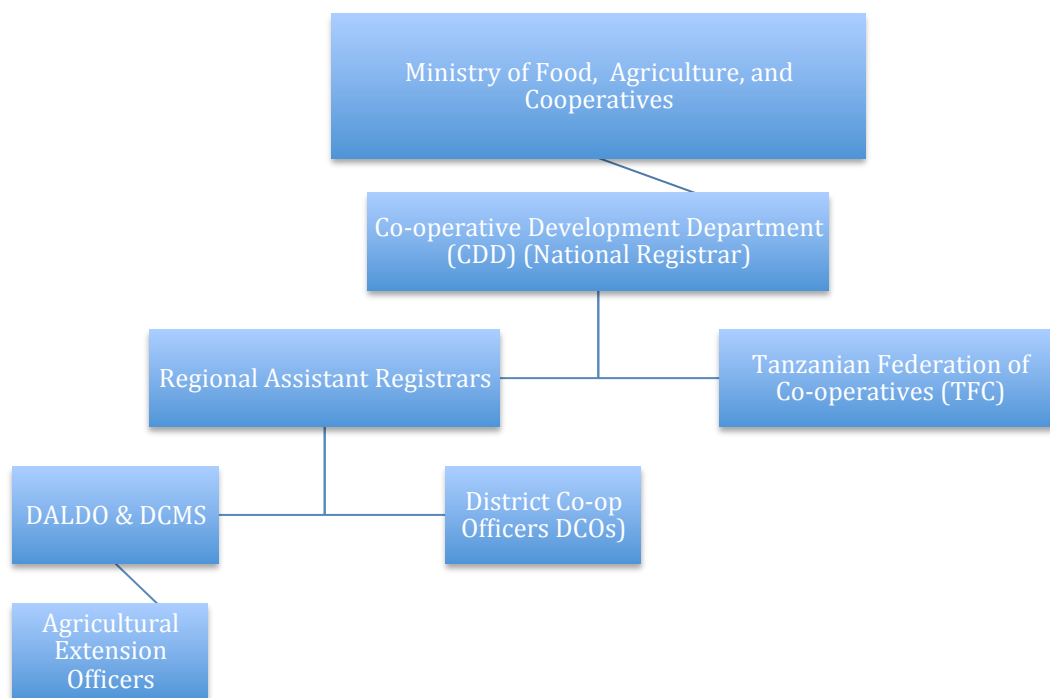
So what role should Tanzania's government play? According to Pollet (2009), the government can (1) opt for absence and deregulation, (2) limit its role to legislation and co-operative recognition, (3) facilitate co-operatives by providing training, promotional campaigns, and financial audits, or (4) involve the co-operative movement in policymaking. Pollet (2009, 28) finds that some East Africa co-operatives, including Tanzania's, are "developing well and are becoming more prominent as a civil society force." For example, Tanzania's cooperatives have been invited to participate in poverty eradication policy papers, such as East Africa's *Vision 2020* strategy (Pollet, 2009). However, not all the depictions are positive. Shaw (2006a) observes that Tanzania's governance standards are lacking; low levels of education may thwart effectual management and are linked to problems of democratic control.

Tanzania's co-operatives today fall under the Ministry of Agriculture, Food Security and Cooperatives, which supervises the agricultural co-operative sector and is responsible for its legal monitoring (see Figure 3). The Cooperative Development Department (CDD) is the main external contact for most primary and secondary co-operatives. The CDD ensures that rules and policies are followed through visits to the AGMs and primary co-operative societies (PCSs)⁸. The CDD oversees the Tanzanian Federation of Cooperatives (TFC), which is the umbrella body for all co-operatives in Tanzania. The TFC exists to promote and co-ordinate all co-operative societies in Tanzania and is a member of the International Co-operative Association (TFC & CDD, 2006). However, as most of the country's apex bodies have collapsed (aside from tobacco) there are not many members remaining. Birchall and Simmons (2010), in their comparison of Tanzanian and Sri Lankan co-operative reform efforts, find that the TFC requires restructuring in order to respond to the needs of the country's co-operatives. However, they voice their suspicions that the Tanzanian government is keen to "keep the empire going" rather than make the TFC a leaner structure that can address the needs of primary co-operatives (Birchall and Simmons, 2010, 493).

Within the CDD, there is a Registrar of Cooperative Societies, appointed by the government, who oversees the implementation and enforcement of co-operative laws and rules. According to Part III of the Cooperative Societies Act, the Registrar's duties include registering, promoting, inspecting, and advising co-operatives, so this body is quite highly involved in the societies' activities (The United Republic of Tanzania, 2003). The Registrar has representatives known as District Co-operative Officers (DCOs) at the district level and Assistant Registrars at the regional level (see Figure 3). For coffee farmers, there is also a District Agricultural Officer (DALDO) who oversees all agricultural activities including field officers, and a District Coffee Subject Matter Specialist (DCSMS) who is responsible for providing education and advice, as well as seeds from the Tanzanian Coffee Research Institute (TaCRI), to the area's coffee growers.

⁸ I use the term Primary Co-operative Society (PCS) interchangeably with primary society.

Figure 3: Tanzania’s Agricultural Co-operative Structures



Source: Author's own

Recent years have seen substantial co-operative reform in Tanzania, as outlined in the policies below. It is even possible that Tanzania’s co-operatives are evolving to embrace the ICA’s principles that deteriorated over the course of the country’s tumultuous co-operative history, as the government’s policies over the past decade may indicate a trend in this direction. *Tanzania’s Development Vision 2025* ambitiously aims to facilitate the graduation of Tanzania from a developing to middle-income country, and situates co-operatives as instrumental to attaining sustainable human development (The United Republic of Tanzania, 2005, 3). The country's 2002 *Cooperative Development Policy* was introduced in order to address issues in the country’s co-operative sector such as entrenched leadership, political interference, and a lack of member involvement in decision-making. This policy was created with the purpose of “enabling co-operatives to get back on to the development path and at the same time become more responsive to the needs of their members.” (The United Republic of Tanzania, 2002) A *New Cooperative Societies Act* was then developed in 2003, providing the necessary legislation as well as direction on how to set up and run the country’s co-operatives in line with the ICA co-operative principles (Birchall and Simmons, 2010, TFC & CDD,

2006). The implementation of these policy reforms is through the government's *Cooperative Reform and Modernization Project (CRMP)*, outlined in detail below.

3.4.1 The Cooperative Reform and Modernization Program (CRMP)

The *Cooperative Reform and Modernization Program (CRMP)* of 2005-2015, which is being overseen by the CDD, aims to address some of these aforementioned issues and exists to translate policies and supporting laws into strategy. Although this is not an independent project, it was put together by a group of individuals from government, non-governmental organizations, and academia, with assistance from the ILO, and “represents a wide consensus of opinion about how to transform the new policy and supporting law into workable strategies and plans.” (Birchall and Simmons, 2010, 487) CRMP seeks to promote good governance, defined as “a framework for promoting transparency, accountability and predictability in organisations”, as well as to empower members (The United Republic of Tanzania, 2005, 13). It identifies problems such as poor management, inappropriate co-operative structures, corruption, lack of co-operative democracy, weak supporting institutions, and a general inability for Tanzania's co-operatives to compete in a liberalized economy (Bibby, 2006). The project states that thus far the involvement and participation of members is weak and that co-operative leadership is often associated with untrustworthiness, corruption, and poor leadership (The United Republic of Tanzania, 2005). CRMP asserts: “[I]t is only when the grassroots membership is empowered that Tanzania will see a true emergence of democratic and economically viable cooperatives.” (The United Republic of Tanzania, 2005, 1 & 18)

As CRMP notes, the participation and involvement of members in cooperative affairs is quite limited. It attributes this to the problematic role of Tanzania's secondary co-operative unions, which in the past amassed heavy debts and engaged in fraudulent practices that led to public mistrust (Birchall and Simmons, 2010). Bibby (2006) observes that, as the number of co-operative levels increases, it becomes more challenging to ensure direct member participation. Secondary and tertiary societies often fail to meet the needs of the primary co-operatives, and the maintenance of these massive co-operative structures is expensive (The United Republic of Tanzania, 2005). Recent government documents outline a potential future prioritization of the primary over the secondary:

In [the] future, the plan is to make the primary society the main cooperative level and to make sure they are all independent and viable. Higher-level cooperatives should facilitate networking for member societies, provide market information, conduct lobbying and advocacy and act as the main link of co-operators to partner organisations in cooperative development. (TFC & CDD, 2006, 3)

The government is clearly calling for changes in the co-operative sector, which would seem to indicate that it has recognized some of the problematic issues in its past approach to co-operatives. While it is promising to see past issues acknowledged, there is no real evidence that Tanzania's government is genuinely working to change this today. Unfortunately, CRMP may simply be another neo-liberal tool that will not result in any genuine change. Chambo (2006, 3-5), an academic and practitioner who has worked closely with many of Tanzanian's co-operatives, questions their future of these organizations:

[O]ne question which comes in, is whether the Reform and Modernization as seen in the CRMP, will eventually produce autonomous co-operative organizations in Tanzania, where members feel, act and govern themselves. [...] If power and authority is not given to the members through the basic instruments of policy and law, the CRMP is partially demobilized.

3.4.2 Member Empowerment in Cooperatives (MEMCOOP)

A more concrete, and arguably more effective, example of how the issue of empowerment is being addressed at the membership level is the *Member Empowerment in Cooperatives* (MEMCOOP) project. This endeavor provides an interesting example of how issues of participation might be tackled through education and capacity building at the membership level. A total of 171 primary societies in the Kilimanjaro and Arusha regions participated in the MEMCOOP pilot project between 1996 and 2003, and it later expanded into other regions. It was, in part, overseen by the Moshi University College of Co-operative and Business Studies (MUCCoBS), previously the Moshi Co-operative College, which is a quasi-independent institution and a member of the ICA.

MEMCOOP emphasized educating members, rather than just leaders, on six themes: general co-operative knowledge, production improvement and quality, general business education, organizational development, entrepreneurship, and empowerment for good governance (The United Republic of Tanzania, 2005). It also aimed to give members the tools to evaluate the performance of their primary societies (Birchall and Simmons, 2010). An example of a MEMCOOP primary society is Mamsera, which I explore within this research.

According to the CRMP, it is easy to see the differences between primary societies where MEMCOOP has been put into place, and where it has not (The United Republic of Tanzania, 2005). In terms of price only, not to mention benefits such as social development and capacity building, in 2003-2004 the MEMCOOP societies sold at an average price of TSh (Tanzanian Shilling)⁹ 1,286.02 per kg, compared to non-MEMCOOP societies which had an average price of TSh 600 per kg (The United Republic of Tanzania, 2005, 21). In MEMCOOP primary societies, members deal with the coffee crop directly and negotiate bank credit, transport, and curing alternatives, and members are familiar with auction prices, quality, and buyers (Danda and Bamanyisa, 2011). These authors note:

The bottom-line of member empowerment is the fact that if the engine of development of any co-operative system is the membership, then the members must be entrepreneurs who practice cost effective business, leadership and put in place the basic instruments and procedures of good governance. (Danda and Bamanyisa, 2011, 237)

3.5 The Coffee Market

Coffee is one of the most highly traded agricultural products in the world, and one of few internationally traded commodities still produced by smallholders today. Despite the fact that coffee is a labour-intensive crop that often offers low financial returns, there are over 25 million coffee farmers in the world (Fairtrade International, 2013b). Brazil and Vietnam together produce nearly half of the world's coffee, Africa is responsible for 12 per cent of world volume, and Tanzania's share is just below one per cent of world production (TCB & TCA, 2012). Sustainable standards, such as Fairtrade or organic, are becoming increasingly important in the industry and may offer farmers and organizations the opportunities to obtain price premiums (TCB & TCA, 2012).

Coffee can be of the Arabica or Robusta variety, with Arabica representing 60 per cent of the world's total and Robusta the remaining 40 per cent (TCB & TCA, 2012). The price of Arabica coffee is determined on the New York 'C' futures market, while the London 'LCE' futures price is for Robusta coffee. Globally, the coffee market is

⁹ As of November 2013, the exchange rate was approximately 1 GBP: 2,618 TSh.

characterized by volatile prices. The collapse of the International Coffee Agreement in 1989 created a drastic change in the world coffee market and left many farmers with a massive decrease in the value of their crops. Coffee prices reached their lowest in 2002 at US\$0.45 per pound; at this time production costs were estimated at US\$0.90 to 1.00 per pound, a clear loss for farmers (Fairtrade International, 2013b, Renard and Perez-Grovas, 2007). Fairtrade has sought to address these price fluctuations and in 2013 offered a floor price of US\$1.40 per pound for Fairtrade Arabica coffee, and US\$1.05 for Fairtrade Robusta. Should the market price be higher, organizations receive the market price. It is important to note here that the Fairtrade price is paid to the organization, not the individual coffee growers; as such, the amount paid to the individual depends on the organization's operating expenses (Lyon, 2010). As outlined in Chapter 2, there are additional benefits to Fairtrade, such as a Fairtrade premium of US\$0.20 per pound which is intended for use by producer organizations for social and economic investments at the community and organizational level (Fairtrade Canada, 2013).

3.5.1 Tanzania's Coffee Sector

As one of Tanzania's main agricultural export commodities, coffee accounts for approximately five per cent of the country's total export value and generated export earnings of roughly US\$100 million per year between 1982 and 2012 (TCB & TCA, 2012). In 2012, Tanzania produced one per cent of the world's Arabica coffee and was the third largest Arabica producer in Africa (EPOPA, 2013). The country's *Coffee Industry Development Strategy 2011/2012* claims that the coffee industry provides direct income to over 400,000 farmer households and supports the livelihoods of approximately 2.4 million people (TCB & TCA, 2012). Tanzania produces 0.8 per cent of the world's total coffee output with 50,000 tons a year, of which 70 per cent is Arabica and 30 per cent is Robusta (Tanzania Coffee Board, 2010). The country exports over 90 per cent of its coffee on the international market and the main buyers, in decreasing order, include Japan, the US, Germany, Italy, and Belgium (TCB & TCA, 2012).

Although there are also large-scale, typically foreign-owned plantations in Tanzania, coffee is mainly a smallholder crop in Tanzania and over 90 per cent of the country's coffee is grown on small-scale farms of 0.5 to three hectares (Tanzania Coffee Board, 2010). The term 'smallholders' (as opposed to large-scale farmers) is typically

employed in reference to the size of the landholding, market relations, and the type of farming. It is estimated that there are between 400,000 and 500,000 smallholder coffee growers for both Arabica and Robusta in Tanzania (Mmari, 2012, Tanzania Coffee Association, 2009). Farmers tend to be engaged in subsistence agriculture, and holdings are subdivided amongst children and decrease in size over time (Mbilinyi, 1975). Mmari (2012) warns that land-related challenges stemming from colonial legacies, government policy, and population density, leading to frequent disputes over land and the insecurity of tenure, may limit the growth of smallholder agriculture in Tanzania, despite the abundance of the nation's land. Tanzania has the highest number of Fairtrade farmer members of the 63 countries around the world where Fairtrade exists; the country had 148,200 small producers in 2010 and the bulk of them were coffee farmers (Fairtrade International, 2011d).

Coffee is a labour-intensive commodity. Farmers take on a great deal of risk when they plant their seedlings, as the average coffee tree takes three to four years to bear fruit. Transaction costs, a complex value chain, little transparency, governance issues, access to credit, minimal capacity building, a lack of clean water and the effects of climate change, such as increasing temperatures and changes in rainfall patterns, all pose challenges for the country's coffee farmers (for a SWOT analysis, see Appendix 6) (TCB & TCA, 2012). Major coffee producing regions of the country depend heavily on the crop for income (Mbilinyi, 1975). The mild Arabica from the Kilimanjaro region is recognized for its quality due to the area's volcanic soils, while Robusta tends to demonstrate higher productivity while requiring larger plots than Arabica and attracting a lower price. Arabica coffee in Tanzania is grown at higher elevations of 700 to 1700 meters, while Robusta generally grows at altitudes of 200 to 800 meters and is mainly produced in the Kagera region (Tanzania Coffee Board, 2010).

Coffee quality fluctuates greatly, and much depends on the initial process of harvesting, pulping, washing, drying, and sorting. Quality is impacted by factors such as materials and cleanliness of water used, and as such can vary greatly between smallholders. Unfortunately, Tanzania's coffee quality has deteriorated over time and yields have decreased (TCB & TCA, 2012). Tanzania's annual production over the past thirty years has stagnated at approximately 50,000 tons and yields have continuously decreased, thus leading to lower prices for producers (TCB & TCA, 2012). This is due to, among other factors, ageing coffee trees, poor husbandry, the spread of coffee diseases, and a

lack of new high-yielding, disease-resistant coffee varieties (Baffes, 2003). Tanzanian coffee suffers from problems with Coffee Berry Disease (CBD), Leaf Rust, and insect damage, and the majority of Tanzania's coffee farmers do not use chemicals or fertilizers in their fields (Baffes, 2003). Coffee trees typically become unprofitable at 20 to 25 years of age, and most of the country's coffee trees are well beyond this age; in Kilimanjaro the average age of trees is over 40 years (TCB & TCA, 2012).

Poor farm maintenance and improper intercropping contribute to this problem, thus highlighting the importance of training for farmers. Citing the quality potential of Tanzania's mild Arabicas and Robustas, the country's *Coffee Industry Development Strategy* states a mission of increasing coffee production to 80,000 tons in 2016 and 100,000 tons by 2012 (TCB & TCA, 2012). It aims to do this through improved productivity, including replacing old trees with improved varieties and applying good agricultural practices, as well as expanding production to new areas. It notes the importance of extension support in the field, claiming that this will be achieved through training and capacity building to facilitate technology transfer (TCB & TCA, 2012). The strategy also mentions streamlining the value chain and suppressing unnecessary intermediaries, as well as improving harvest and post-harvest activities including enhanced processing equipment such as central pulper units (CPUs). This is in line with *Kilimo Kwanza*, the country's 'agriculture first' strategy that aims to increase agricultural production across Tanzania (TCB & TCA, 2012). The Tanzania Coffee Board (TCB) and Tanzanian Coffee Association (TCA)'s *Coffee Industry Development Strategy 2011/2012* commits Tanzania to increase production and productivity (through access to inputs and the adoption of good agricultural practices), improve efficiency of the value chain (including the functioning of the Moshi auction), support overall coffee quality improvement (through capacity building, enhanced equipment, and the development of CPUs), and explore new market opportunities for sustainable coffee (such as Fairtrade) (TCB & TCA, 2012).

3.5.2 Primaries and Unions

Tanzania's coffee industry primarily consists of a two-tier co-operative system of primary co-operative societies and unions (Parrish et al., 2005). Farmers come together to form primary societies, and these primary societies are members of unions, also known as secondary societies. Part IV of the *2003 Cooperative Societies Act* states that the objective of a primary society is three-tiered: to raise the standard of living of

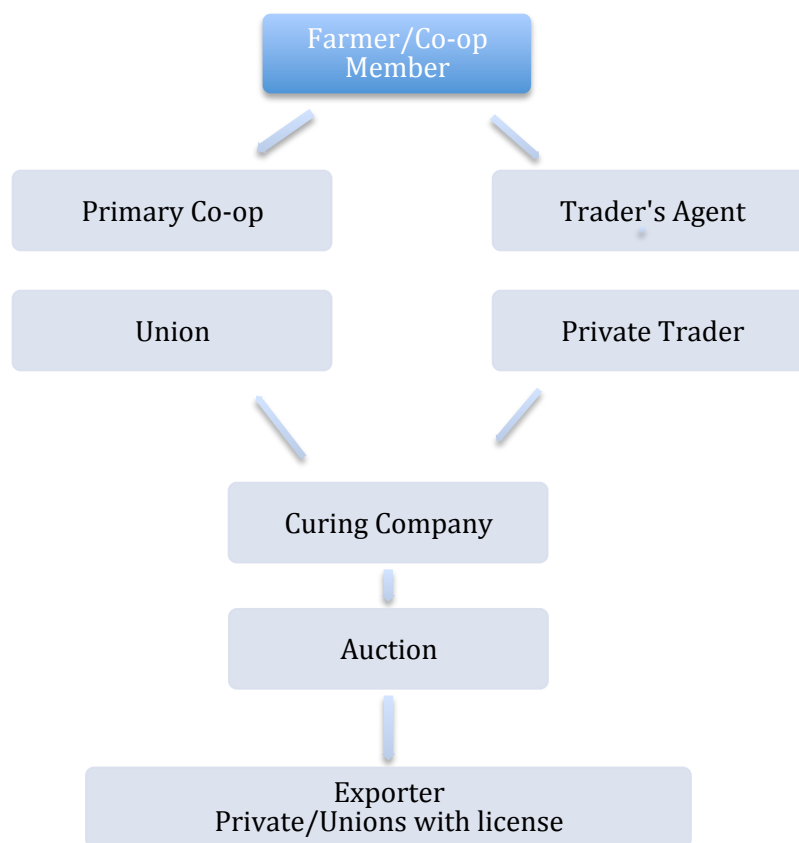
members, to facilitate the operations of its members, and to provide services including agricultural inputs, collecting, processing, and marketing of members' products (The United Republic of Tanzania, 2003). Primary societies must comprise a minimum of 50 people for agricultural societies (The United Republic of Tanzania, 2003). In order to join a primary society a farmer must be 15 years of age, although s/he may not join a committee until the age of 18, and be capable of paying fees and acquiring shares (The United Republic of Tanzania, 2003). Each member is entitled to one vote and may attend the primary society AGM to record his/her vote; these meetings must occur at least once a year (The United Republic of Tanzania, 2003).

Unions are also required to hold an AGM where producers (or their elected representatives) come to discuss and vote (The United Republic of Tanzania, 2003). According to Part IX of *Tanzania's Co-operative Act*, at this meeting decisions are made about the election or removal of Board members, the adoption of the annual balance sheet, money available for distribution, honoraria for Board members, the Board report, and the acquisition of property (The United Republic of Tanzania, 2003). This supreme level of governance comprises representatives from all primary societies, also referred to as delegates, who come together to elect Board members, determine how Fairtrade premiums will be used, and make decisions related to the budget. Of course, not all farmers have the opportunity to attend the union AGM; instead two to three elected individuals typically act as representatives. Co-operatives at both the primary and secondary level require a Board of Directors. Members are responsible for electing this Board, and Tanzania's co-operative law states that the Board must consist of between five and nine people (The United Republic of Tanzania, 2003). One third of the Board is replaced through elections every three years, as there is a maximum nine-year Board term (The United Republic of Tanzania, 2003). The Board members are unpaid but may receive an honorarium from the society; the Board also appoints a General Manager to manage the general affairs of the primary society (The United Republic of Tanzania, 2003).

Beyond governance structures and decision-making, this two-tier co-operative model determines the basic operations of farmers and their primary societies within the coffee trade. Once coffee cherries are ripe and ready for harvest, farmers pick and bring them to the primary society for collection. The processing varies across primary and secondary societies, and differs according to the type of coffee grown. For a detailed

overview of coffee processing, please refer to Appendix 7. In all cases, the primary society assembles the coffee and delivers it to the union. Unions grade their coffee according to quality, moisture content, and the size of the beans. Once coffee has been cured and graded by organizations, samples are taken to the TCB for cupping. The TCB analyzes the coffee to determine if it indeed qualifies for the grade that the organization has awarded it. It then provides samples to exporters ahead of the auction, as well as information on suppliers, grades, and volumes. Coffee is sold through the national coffee auction, which occurs weekly in Moshi. Unions can either sell to private buyers at the auction, or if they wish to export directly can sell and then repurchase their own coffee (Parrish et al., 2005). The State regulations restricting this auction process seem much more cumbersome than the direct export of coffee might be. The union pays farmers a first payment when the coffee is collected and additional payments as appropriate at later dates, depending on the price the coffee fetches in the auction. The process from bean to cup is outlined in Figure 4, including the role of the various actors involved. As seen in this diagram, farmers can also sell directly to private traders and I explore the impact of this competitive force in Chapter 6. While the choice of buyer has implications for the price and promptness of payment, the chain does not differ drastically as everyone must go through the auction.

Figure 4: The Post-Liberalization Tanzanian Coffee Chain



Source: Based on Baffes (2003), Parrish (2005), and author's own interviews

3.5.3 Government Regulation and the Auction

As a result of the conditions imposed by the international financial institutions that oversaw the country's liberalization process, Tanzania's government aims to minimize its involvement in the coffee sector (Pirotte et al., 2006). The State does, however, maintain a regulatory function; this is achieved through the TCB. In its latest incarnation, the TCB is a statutory body that was created through a 2001 Act of Parliament. Originally established under the Coffee Ordinance in 1961, the TCB's original purpose was to act as an agent of the unions for the purpose of selling their coffee. The TCB over time began to take on more activities requiring deductions, or levies, from the export price, such as providing inputs for disease control and collecting an export tax (Moshi, 1980). Following the dissolution of the co-operative unions, the Tanzania Coffee Board was renamed the Coffee Authority of Tanzania in 1977. This structure lasted eight years until, after 1982 and the reinstatement of co-operatives, it became the Tanzania Coffee Marketing Board and oversaw auction purchases by

private buyers (Baffes, 2003). This Board eventually became a marketing agent, reverting back to its original name of Tanzania Coffee Board in 1993.

Today the TCB is a government body whose mandate is to regulate the coffee industry in Tanzania, including all matters pertaining to coffee production and marketing. It is housed under the Ministry of Agriculture, Food Security and Cooperatives along with the Tanzania Coffee Research Institute (TaCRI, a non-profit, semi-autonomous organization) and the Tanzania Coffee Association (TCA, a private association of coffee traders created to resolve disputes between co-operatives and traders following the liberalization of the 1990s) (see Table 4). The TCB oversees all coffee-related activities in Tanzania and providing export licenses. There is a ten-person Board overseeing governance and in 2009/2010, both KCU and KNCU had a representative on the Board of the TCB.

Table 4: Tanzania’s Coffee Institutions

Institution	Entity	Functions & Responsibilities
Ministry of Agriculture, Food Security and Cooperatives	Government	Supervises the sector, providing legal and policy guidelines.
Tanzania Coffee Board (TCB)	Statutory Body	Regulates the coffee industry, advises the government on policies and strategies for the development of the coffee industry, issues licenses and permits, and runs the coffee auction.
Tanzania Coffee Research Institute (TaCRI)	Non-profit Membership Organization	Conducts coffee research, breeds disease-resistant coffee varieties, sells seedlings to farmers, and provides training and technical assistance. Members include coffee farmers, processors and the government.
Tanzania Coffee Association (TCA)	Private sector	Private association of coffee traders created to resolve disputes between co-operatives and traders.

Source: Based on Baffes (2003) and author’s own interviews

The TCB organizes the weekly coffee auction held in Moshi every Thursday. According to the TCB & TCA (2012, 14), “The auction system is believed to have multiple advantages including better prices for the value chain as well as better control over exports.” However, the amount of time between the purchase of coffee from the producer and the moment it sells in the auction can be quite long, posing risks such as

international price volatility and uncertainty for the buyer. The result is that buyers manage risk by offering low prices to producers, which are not always compensated by an adequate second payment when the price is higher. According to the TCB & TCA's *2011/2012 Tanzania Coffee Industry Development Strategy*, farmers typically receive 65 per cent to 75 per cent of the auction price of their coffee, and may get as little as 50 per cent of the auction price; the remainder is used to cover organizational expenses (TCB & TCA, 2012). As Baffes (2003) observes, there are issues with Tanzania's coffee sector, such as high taxes and licensing procedures, that must be addressed. The auction is mandatory and the TCB possesses a great deal of power, which Baffes (2003) claims should be minimized; he states that the TCB should only be responsible for disseminating pricing and related information, as well as monitoring coffee statistics such as auction sales. For more on the Moshi Coffee Auction, please see Appendix 8.

3.6 Conclusion

Tanzania's co-operatives are clearly part of the co-operative revival occurring on the African continent. However, today's co-operatives do not adhere to the ICA's principles and definitions, despite the Tanzanian government's claims of working toward this. Without well-functioning co-operatives to operate through, it is challenging to see how Fairtrade might succeed in giving producers a voice in decision-making. It is also difficult to tell if Tanzanian co-operatives have truly evolved from their colonial and nationalistic roots, comprising previous eras of high government intervention, or if they continue to be employed as tools of the government.

Tanzania's co-operatives have gone through many transformations throughout the past century, and the political landscape has played an enormous role in determining the evolution of the country's co-operative movement. Nyerere's socialism and the transition to 'African capitalism' had a tremendous impact of the country's agricultural policy, and the country's co-operatives have been forced to adapt to these changes. While today's structures aim to facilitate independence and autonomy, in reality the government continues to play a major role in the sector. Truly member-based co-operatives, while arguably the way forward, are not yet a reality in the country. In order to understand the future potential of these member-based organizations in Tanzania, in Chapter 4 I introduce coffee co-operatives as a case study.

4.1 Introduction

In Chapters 2 and 3, I explored the topic of producer voice in decision-making through a consideration of the secondary literature. In this chapter I switch to the field study component of the project and outline my methodological approach to assessing voice in decision-making. This study comprises a multiple case study of Tanzania coffee co-operatives and entailed field research over a period of two years. Respondents included individuals at various levels in the hierarchy: practitioners based in the global north including Fairtrade International staff, individuals at Fairtrade Africa and Fairtrade East Africa, KNCU co-operative staff and Board of Directors members, and small-scale producers at the village level. Through this in-depth qualitative study, I aimed to capture the perspectives of multiple stakeholders in order to tell the story of collaborative governance at these organizations and to learn more about how individuals participate in Fairtrade decision-making.

In this chapter I situate the research problem within an appropriate methodological context and outline my approach to the study. I first discuss the philosophical underpinnings of my approach and explain my qualitative approach. I then outline the multiple case study before moving on to its design elements, such as the subjects for study and data collection. Finally, I consider both the limitations of the study and reflexivity as a means of understanding my role as a researcher, including potential biases that I may bring to the project.

4.2 Approach to the Research

I take a qualitative approach to this topic, locating the discussion within an interpretive paradigm and adopting a constructionist ontological position; as such, I aim to uncover the means by which both individuals and groups construct and perceive social reality. Interpretivism, in contrast to a natural scientific model one might find in quantitative research, explores the social world by examining “the interpretation of that world by its participants.” (Bryman, 2001, 264) Social construction rejects the idea of universal knowledge, beginning with the premise that the human world varies from the

natural, physical world and is shaped by cultural constructs (Patton, 2002). Constructionism considers the numerous realities that people create to guide their interactions and therefore involves “constructing knowledge about reality, not constructing reality itself.” (Shadish, 1995, 67) Two people can interpret the world very differently but live in the same empirical world, even though one’s truth may not correspond with objective reality. This is supported by Thomas’s theorem: *What is defined or perceived by people as real is real in its consequences* (Patton, 2002, Thomas and Thomas, 1928).

As I adopt a constructionist orientation, it is essential for me to consider the perceptions and worldviews of respondents while at the same time recognizing my own accounts as constructs rather than objective descriptions (Bryman, 2001). I am interested here in how interviewees make sense of their world, and an interpretive methodology allows for a collaborative approach to the construction of meaning through interaction with interviewees. Rather than distancing myself from respondents, I interact with them. This allows me to recognize knowledge production as an ongoing process and to consider my own biases (Allen, 2007), which I further reflect on in a section below on reflexivity.

I locate this research within both a social justice and feminist framework. Using a social justice approach, I aim to present many different experiences and perceptions and demonstrate that diverse voices must be heard and valued (Stockdill et al., 1992). As I set out to learn about “voice”, I give added weight to the viewpoints of those with less power and privilege (Weiss and Greene, 1992). One example of a marginalized group in African agriculture is women; as such, I aim to capture and report their experiences. This has implications for the project design, such as the decision to over-sample women. I adopt a feminist perspective, which rejects a positivist paradigm (Brooks and Hesse-Biber, 2007, Hesse-Biber and Leavy, 2007). Research has a tendency to be androcentric in nature, and a feminist approach challenges the structures and ideologies that oppress women and other marginalized groups. As a researcher adopting a feminist standpoint, I aimed to minimize the power differences between myself and interview respondents (Harding and Norberg 2005).

In line with a constructionist approach, I use qualitative methods, which are typically employed to study social phenomena with a focus on the people involved (Bryman, 2001). I incorporate feminist methodologies, which Harding and Norberg (2005, p.

2013) note may provide a means of turning individuals in disadvantaged social positions into “powerful intellectual and political resources.” Feminist methods are holistic and incorporate all stages of the research process, from the development of the primary question to the findings (Hesse-Biber, 2007a). Interviewing is particularly valuable to feminist researchers who wish to gain insight into the world of their respondents, and is useful when one wishes to learn about the lives of respondents living in a particular community (Hesse-Biber and Leavy, 2007). Hesse-Biber (2007a, 117) explains that (i) reflexivity and (ii) the types of questions feminists ask are key to adopting feminist methods:

Research that gets at *an understanding of women’s lives and those of other oppressed groups*, research that promotes *social justice and social change*, and research that is mindful of the *researcher-researched relationship* and the *power and authority* imbued in the researcher’s role are some of the issues that engage the feminist researcher.

I endeavoured to make this project participatory where possible as a means of treating respondents as subjects or agents, rather than objects, of research. As Eberhart and Smith (2008) explain in their FLO-commissioned *Methodological Guide for Assessing the Impact of Fairtrade*, participatory approaches serve to avoid the imposition of preconceived notions, as well to ensure that important effects or observations are not overlooked. These authors note,

A key principle of the methodology is the interpretation of Fairtrade impact within the local context of producers and workers, giving precedence to the goals, priorities and views of those that Fairtrade aims to support, while recognising the heterogeneity of individual perspectives. (Eberhart and Smith, 2008, 8)

I interviewed Fairtrade key informants prior to selecting the research topic and question, developed the producer questionnaire in consultation with some of the producers, organizations, and stakeholders involved, and shared the findings with respondents in Tanzania for their feedback. Buch and Staller (2007) assert that researchers may engage in sharing the findings with the communities they study prior to publishing, in order to ensure accuracy in how respondents are portrayed. In Section 4.4 on design I further outline how I engaged in participatory methods and shared the findings with respondents.

4.3 Empirical Context: A Multiple Case Study of Tanzanian Co-operatives

I adopt a case study design, the purpose of which is to provide rich, detailed data about a case (Babbie and Benaquisto, 2002). This method allows investigators to explore the features of real-life events, such as small group behaviour or organizational processes. It is an appropriate method for exploratory research comprising *how* and *why* questions, and is flexible enough to incorporate quantitative data (Yin, 2009). The use of a *how* question in this project is considered explanatory in nature, and therefore favours case studies as one of its preferred methods (Yin, 2009). This approach is also flexible in that it can incorporate multiple methods, both qualitative and quantitative, such as a survey within a case study. Case studies tend to incorporate many data sources, including interviews, observations, and survey data, and can be used to create theoretical constructs (Eisenhardt and Graebner, 2007). A multiple case study approach is appropriate here as I aim to inductively build theory on collaborative governance at co-operatives.

Criticisms of the case study method include a potential lack of rigour on the part of the researcher, the fact that they may provide little basis for scientific generalization, or the concern that they take too long and result in massive documents (Yin, 2009). I attempted to avoid these potential flaws by using data triangulation, including both qualitative and quantitative data, which according to Patton (2002) strengthens a study by combining methods. I also aimed to avoid erroneous generalizations and limited the breadth of the study. As per Yin's (2009) guidelines, I created a case study protocol to increase the study's reliability before beginning the project, which comprised the study's purpose, interview questions, data collection procedures, and report outline.

While a single case study is used to focus attention on a sole example of a social phenomenon, the multiple case study is a variation that allows a researcher to study more than one instance, as I do here (Babbie and Benaquisto, 2002). In order to select the case studies, I developed a sampling frame - a list of elements from which a probability sample is selected (Babbie and Benaquisto, 2002, 180-1). The sampling frame in this case was "accredited Fairtrade organizations in the global South" and was created using registries from FLO and Fairtrade Africa (2011a). I selected three unions from Fairtrade Africa's dataset of Tanzanian Fairtrade co-operatives, of which there are 19, for various reasons as outlined in Table 5. I used purposive nonprobability sampling

(Babbie and Benaquisto, 2002, Patton, 2002) to select organizations based on this criteria. Purposive sampling allowed me to choose information-rich cases strategically and I engaged in typical case sampling in order to illustrate or highlight what might be viewed as normal or average (Patton, 2002).

Table 5: Criteria for Selecting Unions

Criteria for unions	Explanation
Country	Tanzania has more Fairtrade producers than any other country in the world (Fairtrade International, 2012b). It also presents an interesting country context for assessing participation due to its historical evolution of co-operatives as well as the contemporary environment.
Commodity (coffee)	The product category is held constant in order to ensure some similarities among organizations. Coffee is the single most important Fairtrade product (Lamb 2008) and Fairtrade coffee production currently comprises almost half a million farmers around the world (Fairtrade International, 2011a).
Established for over 20 years	Unions needed to be well established in order to limit variation in structure and history.
Fairtrade Certified for over 10 years	Length of time involved in Fairtrade may affect results and impact; 10 years was set as a minimum.
Geographically accessible	Due to cost and time limitations, villages needed to be within three hours of each town in order to allow day trips.
Willingness to participate	Participants needed to be interested and willing to share their time for the research.
Diversity in gender at leadership and management levels	Organizations with female leaders and managers were included.

Source: Author's own based on Hartley (2012)

4.3.1 The Three Cases

This research focuses on three Fairtrade unions that met this criteria: KNCU, KCU, and KDCU, and the farmers that belong to them. These unions are extremely large, with two of them comprising between 60,000 and 70,000 individual farmers, and they differ according to size, structure, coffee type, and various additional attributes. Table 6 provides an overview of these three organizations, while Figure 5 illustrates their geographic location.

Table 6: Overview of KNCU, KCU, and KDCU

Characteristic	KNCU	KCU	KDCU
Members	70,000	60,000	22,000
# Primary Societies	67	126	80
Region	Kilimanjaro	Kagera	Karagwe (District in Kagera region)
Primary Coffee Type	Arabica	Robusta	Robusta
Average Annual Harvest	Unknown	8,000 tons	5,000 tons
Year Established	1933	1950	1950 as KCU; 1991 as KDCU
Joined Fairtrade	1993	1990	1990 (as part of KCU)
% Sold Fairtrade	30-50%	50%	15-20%
% Organic	16% (11 primary societies)	20%	20%
% Female	6%	20%	18%
Processing	At individual farm	Central processing unit	At KDCU factory

Source: Author's own, KNCU (2013), KNCU (2011), KCU (2013), KDCU (2013)

Figure 5: Location of KNCU, KCU, and KDCU



Source: WorldandCityMaps.com; Author's additions

The first union in this study, the Kilimanjaro Native Cooperative Union (KNCU), is a second-level co-operative union in the Kilimanjaro region that grew out of the Kilimanjaro Native Planters Association of the 1920s. It is deemed Africa's oldest coffee co-operative union (KNCU, 2013). The largest of the three unions that I study, the organization represents approximately 70,000 farmers organized into 67 primary societies around the foothills of Kilimanjaro, and maintains a head office in Moshi. KNCU's farms are located in the four Kilimanjaro districts of Siha, Hai, Moshi Rural, and Rombo in agro-ecological zones grouped according to altitude and rainfall. All of KNCU's producers are located between 1000 and 2000 meters above sea level and harvest their coffee during different months based on location; the harvest season begins in late April and runs until February (KNCU, 2013). The ethnic group in Kilimanjaro is the Chagga, a group of Bantu-speaking indigenous Africans who are known for their business prowess (Kanyinga et al., 1994). The Chagga maintain a patrilineal system of descent and inheritance (Mtei, 2012), which has implications for coffee ownership and gender equity. Although land ownership is not a pre-condition for membership, primary society members must own coffee. As a result, very few women are members of the union, and widows tend to be the exception (although they often register their land in a

son's name). Of KNCU's 70,000 members, only 4200 were female at the time of research.

The second case, Kagera Co-operative Union (KCU), originated in the 1930s as the Bukoba Native Cooperative Union (KCU, 2011) and is located near the Ugandan border. It is Africa's oldest Fairtrade coffee co-operative, having joined the Fairtrade system in 1990 (Fairtrade International, 2013d). Today, it has 60,000 members at 126 primary societies in the Kagera region. KCU's head office and farmers are situated in the Kagera region of northwest Tanzania, on the shore of Lake Victoria, and the union has a small export office in Moshi. KCU comprises the three districts of Bukoba, Muleba, and Misenye, which combined cover approximately 150,000 square km. The tribal group in this region is the Haya, another Bantu-speaking group.

The third union is Karagwe District Co-operative Union (KDCU) in western Tanzania near the Rwandan border. KDCU was created in 1991 when it amicably defected from KCU. According to the union's website: "This came as a response to the need of Karagwe district farmers to own a Union that would be able to service their members within manageable distances." (KDCU, 2013) As the region where KDCU's members are located has extremely high Robusta coffee productivity, this group was in a position to form its own union. KDCU has 22,000 coffee farmers, of which nearly 4,000 are female – a very high female ratio in comparison to KNCU. Coffee growers are spread out across four districts: Kituntu Maloura, Bugene Nyaishori, Nyabionza, and Kiasho Murongo. The Nyambo tribe, also a Bantu group, is in this area.

4.3.1.1 Value Chain

Coffee processing differed drastically amongst the three unions. KNCU's Arabica farmers dry, ferment, and then pulp their coffee on their individual farms with small hand pulpers, often borrowed from neighbours, before delivering the beans to the primary society. In contrast, KCU's Robusta farmers deliver coffee beans to the primary society for drying and sorting, while KDCU's sorting and processing is entirely done at the factory.

At KNCU, Arabica coffee farmers use hand pulpers to process coffee cherry into parchment; this is known as wet processing and is considered a highly labour intensive technique (Food and Agriculture Organization of the United Nations, 2000) (see

Appendix 7). After pulping, farmers allow the beans to ferment for two to three days, before drying them for seven to ten days and delivering them for sale at the primary society. Each primary society has a Secretary-Manager who is responsible for sending a weekly text message to KNCU's Procurement office with updates of the current coffee quantities in storage. The KNCU Procurement office collects the coffee parchment from the primary societies and transfers it to the Tanganyika Coffee Curing Company (TCCCo) for the curing process before it is taken to the auction. The union is therefore responsible for financing, transporting, marketing, and supervising the sale of coffee. KNCU has its own in-house liquorer for cupping and grading beans, as well as ensuring the quality of the union's coffee. KNCU primarily sells to organizations in the United Kingdom (UK), United States (US), and Germany.

Unlike KNCU's mild Arabica coffee, KCU sells primarily Robusta coffee, along with some hard Arabica. Robusta has a 30 per cent higher crop yield than Arabica (KCU, 2011), is less expensive to produce, and is often used in coffee blends. KCU's farmers pick and dry the coffee beans, but there is currently no wet processing for their Robusta and hard Arabica beans; instead, this method is known as dry processing (see Appendix 7). The PCS has centralized pulping machines, and the pulped coffee then goes to the curing company. KCU sells both green beans, which are hulled at its Bukop dry mill in Bukoba and instant coffee powder, which is manufactured at its Tanica factory. Instant coffee manufacturing is crucial for KCU's farmers in order to sell their non-exportable coffee. Coffee beans for export are stored near Bukoba in a warehouse before travelling to the port; while the organization's export office is in Moshi (due to the coffee auction being there), aside from samples for auction purposes, the coffee never arrives in Moshi. The Moshi office also has a liquoring section where it tests coffee. Many of KCU's customers are in Germany (up to 70 per cent), and the union also sells to customers, both Fairtrade and non-Fairtrade in the UK, Belgium, the Netherlands, and other European countries.

Similarly to KCU, KDCU sells primarily Robusta coffee (80 per cent of total production) as well as some hard Arabica (20 per cent). KDCU's members grow their coffee in a highly competitive environment due to the region's high crop productivity. The coffee trees in the region are quite young and therefore produce high levels of coffee; when KDCU split from KCU it engaged in a large expansion project and planted many trees. All coffee is centrally grouped at the union level and cherries are delivered

to the KDCU factory for hand sorting, primarily by women, prior to processing. There are 556 employees at the factory and these individuals are generally employed on a seasonal basis from July to April. KDCU's primary buyers include companies in the UK, Switzerland, and the Netherlands, and the union also exports to Brazil, Germany, and Japan (KDCU, 2013).

It is important to note here that higher sales to Fairtrade markets do not necessarily result in stronger governance structures. Organizations must adhere to co-operative principles and other standards in order to join Fairtrade, irrespective of how much of their product they are actually able to sell as Fairtrade on the market. Therefore, I would not have expected organizations that sell higher quantities of Fairtrade coffee, such as KNCU and KCU as indicated in Table 6, to have better governance structures than those who sell less, such as KDCU. While I did observe diversity across these three unions related to the quantities they are able to sell to Fairtrade buyers, I do not purport that Fairtrade demand influences the strength of governance. An organization selling 1% of its coffee to Fairtrade buyers, for example, could have excellent governance structures in place if the co-operative is strong. Theoretically, all organizations should be working towards strengthened governance structures regardless of the quantity of Fairtrade product they are actually able to sell.

4.3.1.2 Leadership and Management

At all three unions, the supreme level of governance is the AGM, composed of member representatives from the primary societies. This group is responsible for electing and overseeing the Board of Directors. The Board of Directors then appoints a General Manager, who hires staff members. Board members are unpaid but receive a seating allowance when they attend meetings, and have their subsistence costs covered. At all three organizations the Board and management conduct workshops with members every year, on topics such as cooperative leadership, marketing, gender, and Fairtrade. The three union structures vary slightly, but all adhere to Figure 6's depiction.

Figure 6: Union Organizational Structure



Source: Author's own

At KNCU the AGM comprises two representatives from each primary society. One of these individuals is a representative from the primary society's Board of Directors, while the other is a regular member from the cooperative. As far back as the mid-1990s, academics at MUCCoBs have been highly critical of KNCU's AGM and have identified this as more of a celebration rather than a meeting or debate (Tallontire, 1999). At the 2010 AGM, KNCU began encouraging primary societies to bring a minimum of one woman onto the Board of Directors, but there is not currently a quota. There has never been a woman on the union's Board and at the time of research KNCU had five Board members. The management structure incorporates four departments: Commercial, Farmers Technical Services (which comprises extension officers who provide training to farmers on quality improvement, fertilizers, and coffee diseases), Finance & Administration, and Tourism (which runs coffee tours, cultural village walks, and other community-based tours).

KNCU has a history of corruption and mismanagement (Prevezer 2013). In 1969, the government had to instate a new General Manager at the union due to corruption, and there was theft at various PCS Boards (Moshi, 1980). In her 1990s research on the organization, Tallontire (1999) outlines criticisms of KNCU, including accusations that the organization is bureaucratic, unresponsive, and caters to members who are better off. During my research in 2011-2012, I found ongoing issues with management, leadership, and a general disconnect between the primary society and the union, as well as instances of misconduct, which I further elaborate on in Chapter 5.

KCU has a Board of Directors of seven people and sends three representatives sent to the AGM: two from the Board and one from membership. It has 5 departments including Personnel/Admin, Organic/Fairtrade, Accounts, Marketing, and Export. There are 110 staff members, including 40 employees at the Bukop factory. A 2002 study by MUCCoBS and Twin Trading identified a lack of interaction between leaders and farmers, as well as potential management issues that led to KDCU's split from KCU (MUCCoBS, 2002).

The KDCU Board consists of seven people. KDCU has 32 staff; three are located in the KDCU export office in Moshi, with everyone else located at the head office in Kayanga. There are also over 500 seasonal workers at the factory. The organization has four departments including Administration, Finance, Internal Auditing, and Marketing. Along with KCU, KDCU has also struggled with mismanagement and leadership problems in the past: it temporarily lost its Fairtrade certification in 1997, when several members of the management team and Board were arrested and charged with corruption (OPM & IIED, 2000). A new management team and Board were appointed in 1998, and KDCU was readmitted to the FLO register.

4.3.1.3 Assets & Social Programs

KNCU owns a hotel, a café, a paddy hulling company, an old cotton ginnery, a shop selling farmer inputs, various houses that it rents out, four farms that it leases, and a multi-story building in Moshi where its head office is located (KNCU, 2012). One of KNCU's most important, yet potentially ill-fated, assets is part ownership of TCCCo, the 91-year old milling plant located in Moshi that is currently struggling to overcome debt due to increased competition from private curing companies in the region (Temba, 2011). The factory was built by a German in the early 1920s, became British property in

1947, and was nationalized following the Arusha Declaration. In 1984, TCCCo was returned to its initial owners: KNCU and the Tanganyika Coffee Growers Association (TCG). KNCU was not as fortunate in recovering all of its assets: when the union was abolished under Nyerere's forced villagization program in 1976, the Ministry of Agriculture took over its independent coffee research station; KNCU also lost several central pulping units in the process (Moshi, 1980). This is evidence of some of the murky boundaries between the State and co-operatives, and I explore this further in Chapter 5's discussion of external governance.

KNCU also has a Fairtrade tourism project known as Kahawa Shamba, which I had the opportunity to visit. Since 2011, KNCU has been rolling out a health plan whereby funds are automatically deducted from farmers' pay if over 50 per cent of the farmers in a primary society agree to support the program and to date, 7,000 farmers have benefited (KNCU, 2013, MicroEnsure, 2013). There is also an Educational Fund financed through Fairtrade premiums, and KNCU has provided scholarships to 410 secondary school children over the years (KNCU, 2012). KNCU has received assistance from NGOs and ATOs including TechnoServe, the Green Development Foundation, Twin Trading, and Cafédirect over the years. UK-based ATO Twin Trading assisted KNCU in setting up its export office and liquoring department, trained the export manager, and helped the organization access grants (OPM & IIED, 2000). KNCU is also involved in a Joint Marketing Initiative with Twin, through which Twin claims KNCU doubled its direct export volumes between 2007 and 2010 (Twin, 2012). This project aims to promote and develop KNCU's coffee and add value; KNCU was one of two pilot organizations and the success of the project has now led to its expansion to additional organizations.

KCU owns two hotels, various office buildings, and a store that sells office supplies. KCU originally owned three schools, primarily for the children of KCU's farmers, but these are now government-run. In 2004, KCU achieved over fifty per cent shares in the Tanica factory - the region's only factory set up by the Nyerere government in the 1960s to produce instant coffee powder (Fairtrade Foundation, 2005). Fairtrade premiums were used for this purpose and the remaining shares belong to KDCU (22 per cent), the Tanzanian Federation of Co-operatives (TFC), the TCB, and Tanica workers. KCU also owns the Bukop factory for dry processing, which was operating at 60 per cent capacity at the time of research. KCU has received capacity building support from

Twin Trading and Cafédirect in the past, and World Vision also runs projects in the region. Farmers mentioned challenges with regards to accessing credit: focus group members in Kasharu noted that there was not yet a Savings and Credit Cooperative (SACCO) in the region and that while, in the past KCU had provided loans to farmers and even paid for students to attend school, the loans from the PCS were no longer there (Focus Group 5).

When KDCU left KCU, they were given a building, houses, and other physical capital. Today KDCU also owns a factory for Robusta processing, which was running at 90 per cent capacity at the time of research. Shares in the factory are mainly held by KDCU, and the government also has shares. Many employees benefit from the SACCO and use these funds to send their children to school. The factory workers can receive loans of up to 10 million TSh at a low interest rate, although these loans are only available to permanent workers. KDCU also owns a hotel, a processing facility, and a secondary school, and possesses shares in various financial institutions and facilities (KDCU, 2013).

4.3.2 Breakaway Groups: The G32 and Mamsera

I also selected two deviant cases beyond these three unions, even though they did not meet all of the criteria outlined in Table 5: the Group of 32 (G32) and Mamsera. I learned about these breakaway groups during interviews with academics and co-operative managers in Tanzania, and was interested in finding out more about why these individuals left KNCU as a group. As I had a flexible model during the research, as well as ample time to expand the project, I was able to incorporate these groups. According to Patton (2002), this type of extreme or deviant case (outlier) sampling allows learning from unusual manifestations of the phenomenon of interest - breakaway groups, in this case. As Patton (2008, 244) suggests, “being open to following wherever the data leads is a primary strength of qualitative fieldwork strategies.” He refers to this as opportunistic or emergent sampling, and it entails following new leads during fieldwork, taking advantage of the unexpected, and demonstrating flexibility in order to add to the richness of the research.

The breakaway groups that I explore are located in the Kilimanjaro region and are collectively known as the G32. The G32 is composed of 32 primary societies, formerly belonging to KNCU, who signed a memorandum in 2003 and split away from the

union. Tanzania's Co-operative Act allows one third of a union to make binding decisions and as such 32 co-operative societies endorsed this idea (Wa Simbeye, 2013). Commonly referred to as the G32, this group is registered as the Kilimanjaro New Cooperative Initiative – Joint Venture Enterprise (KNCI-JVE) and received legal recognition in 2007 (Wa Simbeye, 2013). The creation of the G32 was overseen by leaders from the primary societies who joined this group, some of whom had previously worked in management or held leadership positions at KNCU (Mmari, 2012). Their amassed knowledge of the union's weaknesses and possible alternative arrangements may have helped them to convince KNCU's members to support this decision (Mmari, 2012). There were various reasons for the split. According to Mmari (2012) the impetus for the G32 departure included KNCU's failure to provide advance payments for coffee crop procurement, high union coordination costs, and widespread maladministration. The G32 primary societies are located in all four of KNCU's regions, and I visited two G32 primary societies: Keryo (Rombo) and Lukani/Losaa (Hai). Keryo is organic and Lukani/Losaa is conventional. There are some major differences between these primary societies and KNCU's other groups, and price is one of them. Unlike at KNCU, it is up to the primary society to determine its own coffee payment to farmers.

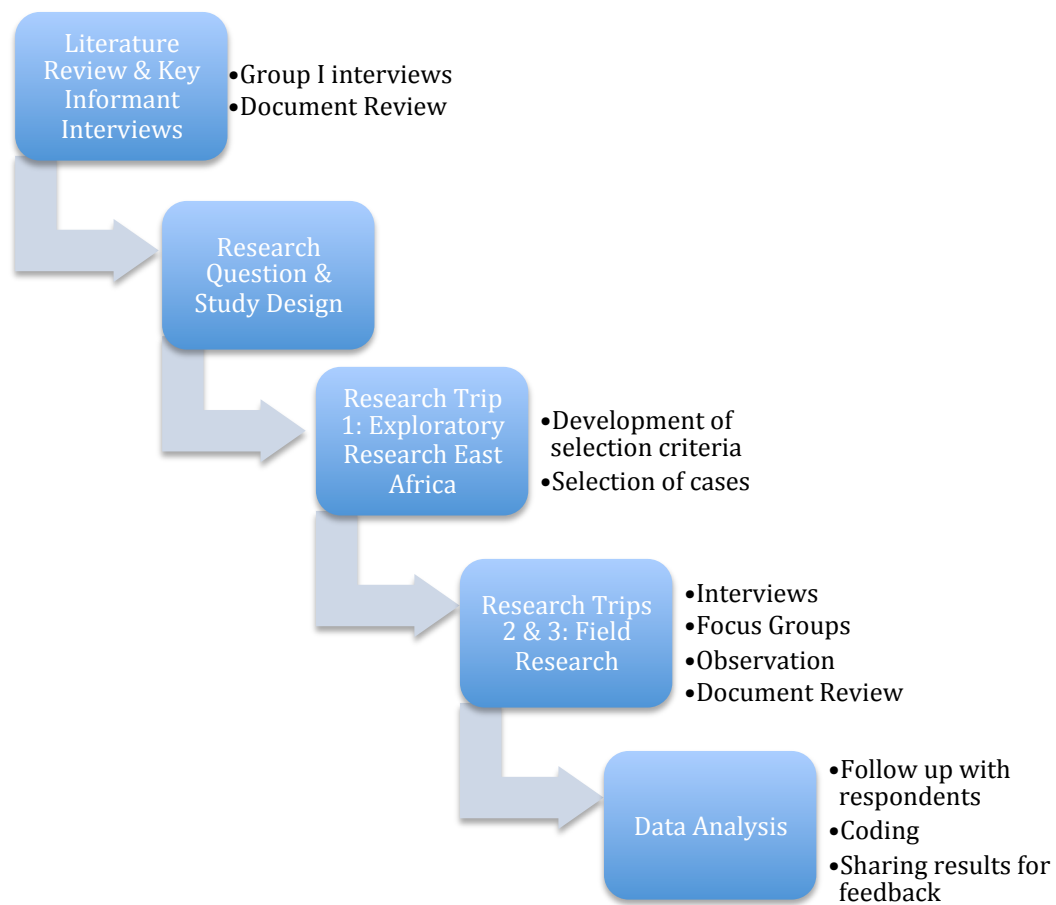
The second breakaway group that I explore is Mamsera Rural Primary Co-operative Society, herein referred to as Mamsera. Mamsera left KNCU in 2003 as a member of the G32, and then separated a year later to become an independent primary society. Mamsera has invested in developing its primary society; it has a hardware shop and sells bricks along the main street. Farmers also receive inputs, such as sprayers and tools. There is a local SACCO where people can obtain loans, as well as a Village Co-operative Bank (VICOBA) that provides an informal lending program. Beyond these extensive social products, Mamsera attributes much of its success to a strong female leader and I explore this in Chapter 6. Research on Mamsera illustrates that this primary society has been highly successful since departing from KNCU and, subsequently, the G32. Donge and Mbeiyererwa (2011), in their comparative analysis of co-operatives in the region (including primary societies belonging to KNCU), claim that Mamsera has been more successful in marketing its coffee than have other primary societies. In their work on Tanzania's co-operatives, Birchall and Simmons (2009) highlight the influence of Mamsera in recognizing the importance of farmers having their own scales (so that they know they are not being cheated, which was occasionally mentioned as a problem

during my interviews) and providing access to affordable inputs such as tools and sprayers.

4.4 Research Design

I build on my theoretical framework and analysis of Tanzania's co-operative sector in order to develop a research design that addresses how Fairtrade gives producers a voice in decision-making. The design entails an exploratory field research stage, followed by a multiple case study of the three Tanzanian coffee unions. In this section I outline the interview subjects, data collection process, analysis and coding while also reflecting on reflexivity and ethics. The process I followed is outlined in Figure 7 below.

Figure 7: Research Process



4.4.1 Subjects for Study

While the aggregate group that I study is the organization (the co-operative), the unit of analysis is the individual. This is because I am interested in how different individuals behave in terms of their participation in decision-making; although I generalize about aggregates, I am referring to individual participation (Babbie and Benaquisto, 2002). In other words, I am asking: How does Fairtrade give *individual* producers a voice in decision-making?

In order to learn more about this, I used criterion sampling (Patton, 2002) to identify groups of individuals who could share knowledge on this topic. In line with Eberhart and Smith's (2008) methodological guidelines, I aimed to collect diverse perspectives and sought out people with different views. These four groups are:

- (1) Fairtrade key informants: practitioners based in the global North, traders, and staff of FLO and Fairtrade Africa

- (2) Tanzanian key informants: union managers and leaders, government officials, academics, and NGO workers
- (3) Co-operative managers, staff and Board of Directors members
- (4) Producers

Gaining access to the field can be a difficult and lengthy process. I was fortunate to have worked as a Fairtrade practitioner and to be familiar with some of the organizations included in the sampling frame. I also had the opportunity to attend a BioFach organic conference in Nuremberg, Germany in February 2011 as well as a Fairtrade Africa Annual General Meeting in Accra, Ghana in November 2011. I met many representatives from Fairtrade co-operatives in Africa at both events. A key person I met, whom I consider a gatekeeper given her role in helping me to obtain access to others (Buch and Staller, 2007), was the Fairtrade Co-ordinator from KDCU. She was very interested in my research, and told me all about Tanzania's co-operative history. She also invited me out to visit her organization during my fieldwork. Through my contacts in Fairtrade and the knowledge acquired through the discussion with this original gatekeeper, I was able to obtain references to individuals at other Tanzanian unions, who warmly welcomed me to visit during the exploratory research. I timed my visits to coincide with the coffee harvest so that farmers would be available for interviews in all three regions.

Appendix 9 contains an anonymous list of Group 1 interviewees. The first interview respondents I selected are herein referred to as Group 1 key informants. Group 1 includes individuals in both the global North and global South who are Fairtrade experts. Examples include traders and importers situated in the global North, academics, and employees of Fairtrade International and Fairtrade Africa. I used purposive sampling to choose these individuals, as well as snowball sampling based on recommendations from interview subjects. Elite interviews allow for inferences to be made about a larger population's characteristics and decisions, especially when the sampling frame contains too large a number of individuals to interview (Tansey, 2007). As Goldstein (2002, 669) highlights, "getting the interview" is a sampling issue. I have been involved in the Fairtrade movement for many years and worked in Fairtrade certification at Fairtrade Canada; as such, this stage was relatively straightforward as I was able to use my former position as clout for getting the interviews.

Secondly I held Group 2 key informant interviews in Tanzania with experts including union managers and leaders, academics, government officials, and NGO workers (see Appendix 10). I was fortunate to have selected Moshi, Kilimanjaro as a base, as this is very much the hub of coffee activity in the country (as the weekly auction is held here) and I had easy access to many individuals and organizations. Although I had originally estimated that I would require approximately ten interviews in this group, these discussions proved highly useful and insightful and snowballed into many introductions and interviews. In total I held 40 interviews with this group and the sampling strategy was akin to Group 1's. It was through these Group 2 interviews that I came to learn about the breakaway groups, which became a highly important finding of this study. These interviews were typically between one and two hours long.

Following a slightly different format, I held 15 semi-structured Group 3 interviews with managers and members of the Board of Directors at the unions and breakaway group in order to learn more about these organizations (see Appendix 11). I allocated a field trip for this specific purpose, as these individuals tend to have vast knowledge and in many cases I required multiple interviews for follow-up questions and interpretation of the research findings. These interviews were typically between 45 to 60 minutes in duration, and purposive and snowball sampling were again used here.

For the Group 4 producer-level interviews, I spoke with small-scale producers, including indigenous producers and women (see Appendix 12). I aimed to interview producers in villages with similar production levels per population, as the volume of coffee produced and sold is a determinant of individual income; however, this was often challenging, as ease of access and willingness to support the research were priorities. As such, I aimed to select villages with production average levels that were not outliers (either extremely high or extremely low). Due to the fact that I had to be introduced by the union, I also anticipated that I could be guided towards societies that might be considered 'star' co-operatives as a means of showcasing the union's work, as seen in Tallontire's (1999) work with KNCU. Although I requested 'average' societies and did not travel with union staff unless absolutely necessary (in order to avoid any association with the union), I assume that these societies should display better than average effects. I also interviewed quite a few Board members and Secretary-managers in this group, who would be expected to possess a higher level of knowledge than producers given their role. Therefore, if these individuals report that they have little knowledge of

Fairtrade and are the ones responsible for conducting meetings on Fairtrade premium knowledge, we can likely infer that producers know even less.

While at KNCU I interviewed producers at four primary societies: Uru North Njari (Moshi Rural), Uru North Msuni (Moshi Rural), Kibosho Central (Moshi Rural), and Kyengia (Hai). Uru North was organic and the other two PCSs were conventional. I visited three PCSs at KCU: Izigo (Muleba), Katoro (Bukoba), and Kasharu (Bukoba). The first two were certified organic, while the third was not, although KCU's coffee tends to be organic as farmers generally use manure, rather than chemicals, as fertilizer. At KDCU I visited three primary societies during this research: Mabira (Kituntu Maloura), Nyakianja (Bugene Nyaishori zone), and Niakikika (Nyabionza), and only Niakikika is organic.

There is, of course, diversity within these primary societies and I cannot generalize about all producers based on my interview sample. Within primary societies, some farmers are younger and healthier, possess more coffee trees, or have more productive farms (typically because their coffee trees are younger). While I collected data on age, the size of the farms, the number of coffee trees, coffee production levels, and additional crops, I did not notice a pattern in terms of healthier farms or age leading to enhanced participation in governance. While it could be that a large-scale survey may have unearthed these differences, my major findings in terms of diversity within co-operatives related to the distinction between men and women and the privileged position of those in leadership positions, and I explore both in the findings.

Table 7 outlines the subjects in each group. While I generally followed this order for the interviews – beginning with Fairtrade key informant interviews and drilling down to Tanzanian experts, co-op managers, and producers - there was often overlap amongst the four groups, as I might learn something in a Group 3 interview and then return to speak with a Group 2 interviewee about it in a second interview.

Table 7: Overview of 4 Interview Groups

Group	Description	# People Interviewed	# Interview Occasions	Location	Date
1	Fairtrade key respondents	16	19	London, U.K. Accra, Ghana Nairobi, Kenya Kiambu, Kenya Tukuyu, Tanzania	2011-2013
2	Tanzanian key respondents	40	57	Accra, Ghana Moshi, Bukoba, Kayanga and Tukuyu, Tanzania	August 2011 – October 2012 (Research trips 1, 2, and 3)
3	PSC managers and leaders	15	15	11 Tanzanian villages	May – October 2012 (Research trips 2 and 3)
4	Producers	68	68	13 Tanzanian villages	May – October 2012 (Research trips 2 and 3)
TOTAL		139	159		

4.4.2 Data Collection Methods

It is essential that the data fit the research question (Hesse-Biber, 2007b). I collected data via a combination of techniques: interviews, focus groups, non-participant observation, and document review. The combination of various methods facilitates data triangulation, accounting for both reliability and validity (Babbie and Benaquisto 2002, 99). I took a phased approach to the project, and the list of field trips and events is provided in Table 8.

Table 8: Field Trips and Events

Phase	Event	Location	Date	Purpose
Phase 1: Exploratory/ Scoping	BioFach Organic Conference	Nuremberg, Germany	February 2011	Identify potential co-operatives; set up key informant interviews
	Research Trip 1	Tanzania & Kenya	August 2011 (2 weeks)	Meet with coffee and tea producers, as well as members of Fairtrade Africa, and engage in key informant interviews.
	Africa Fairtrade Convention	Accra, Ghana	November 2011	Observe meetings and training sessions; engage in key informant interviews.
Phase 2: Tanzanian Key Informant Interviews	Research Trip 2	Tanzania & Kenya	May 2012	Interview Group 2 key informants; pilot producer questionnaire.
Phase 3: Producer Interviews	Research Trip 3	Tanzania & Kenya	July – October 2013	Interview producers and key informants, collect documents, observe meetings, and share findings with all groups for feedback.

4.4.2.1 Exploratory Research

In the first phase I held key informant interviews with individuals in Tanzania, Kenya, Ethiopia, Ghana, Germany, and the UK and spent two weeks conducting exploratory research in East Africa. The purpose of these interviews was to learn more about Fairtrade governance, to develop an appropriate research question based on a literature review and conversations with practitioners, and to identify organizations to involve. On my first field trip I visited a coffee union in Moshi, Tanzania (KNCU), a tea co-operative in Tukuyu, Tanzania (RSTGA) and a coffee co-operatives in Kiambu, Kenya (Ndumberi). At all three co-operatives I visited, the managers discussed the importance of Fairtrade and democratic decision-making. In contrast, overall, the producers I met knew very little about Fairtrade, if anything at all, and generally had no idea how they benefitted from participating in the system. This confirmed to me that Fairtrade governance merited further investigation and helped me to develop the research plan.

4.4.2.2 Interviews

As outlined in Section 4.3.2, this qualitative study entails face-to-face interviews with four groups: key informants (Groups 1 & 2), managers and Board members (Group 3) and producers (Group 4). To develop the interview guide and producer questions, I followed Archon & Fung's Critical Dimensions of Fit (see Table 2). As the purpose of this project is to determine whether or not Fairtrade fits the EPG model, these dimensions allow some insight into questions that may be of high importance. I recorded all Group 1, 2 and 3 interviews, with written consent from interviewees.

I began this study by interviewing Group 1 individuals in order to learn about governance and to develop the research question, and they therefore contributed to the initial study construction. I interviewed 16 individuals in this category using a mix of semi-structured interviewing and an unstructured, also known as informal conversational, format which ensured maximum flexibility and allowed questions to flow from the immediate context (Patton, 2002). This format was utilized in order to allow flexibility with regards to the wording and order of questions, as it allows the interviewer to answer questions and make clarifications, as well as add probes between subsequent subjects (Berg, 2007). The questions and the sequence were not strictly predetermined and I adapted to a new direction in the flow of conversation when necessary. These interviews were typically between one and two hours long and I recorded them. I created an interview guide, provided in Appendix 13, which lists the issues or questions I explored. I developed this in order to ensure that I pursued similar lines of enquiry with each individual (Patton, 2002).

Following Patton's (2002) qualitative research techniques, I asked questions that were relevant to particular individuals. As such, every individual was not asked about every topic listed, and these lists of questions or topics were intended to serve only as a guide for the interview. I used Kvale's (1996) list of research questions, comprising introductory, follow-up, probing, specifying, direct, indirect, structuring, and interpreting questions, as well as silence, in order to achieve an effective balance of being active as an interviewer without being too intrusive. In many cases I deviated from the interview guide during Group 1 and 2 interviews to pursue a more unstructured format and allow new themes to emerge. Aside from providing very useful information and helping me to select the villages to visit, these interviews helped me to determine

which questions ranked highest with regards to relevance and importance, thereby facilitating the interview design for Group 4 interviews. I then interviewed the 40 Group 2 individuals using a similar format, following the interview guide used in Group 1 interviews.

I used a slightly different format for Group 3 interviews, shifting towards a semi-structured approach. This allowed me the flexibility I required to skip questions or ask follow-up questions, while also keeping me on track (see Appendix 14 Interview Guide for Group 3 interviews). This structure differed from Group 1 and 2 interviews in that questions were more formalized and I asked them in a general order. I held some of these interviews in Swahili, and therefore I did not have the same ability to ask follow up questions as I did in the Group 1 and 2 interviews. Some were recorded while others were not, depending on the context.

The interviews with Group 1, 2, and 3 respondents provided me with the information I required to develop the questions for Group 4 interviewees. I used a structured questionnaire format, similar to a survey, with some open-ended questions for Group 4 interviews. This questionnaire was based on a survey developed by Granville and Telford (2013) in their Fairtrade field research in South Africa. All interviews were done face-to-face; I (through a translator) asked the questions and wrote down respondents' answers. As Babbie (2002) explains, it was essential that my presence did not affect a respondent's perception of the questions and I aimed to be a neutral medium.

However, this was at times challenged by the location of the interviews. I frequently held interviews at coffee weighing stations as this was an effective way to locate interview subjects. I would simply wait for them to arrive to sell their coffee to the cooperative and, recognizing that farmers have very busy schedules, ask them to take the time for a short interview without causing much of an interruption in their day. The trade-off was that I did not always have control over who was listening in. While I sought out private spots, such as a bench under a large tree or an unused office, people would linger nearby at times. I noticed that this was particularly true when I interviewed women; on several occasions the male Secretary-Manager would pop in to 'check' on everything. In Chapter 7, I reflect on some of the barriers that women face in terms of

the cultural context and the male-dominated coffee sector, and the challenge of securing private interviews with women is a clear indication of these barriers.

In other cases, I had to travel quite far to reach farmers in their homes. At times, a two-hour drive might be followed by a two to three hour walk around steep coffee fields in order to locate someone at home. When interviews were held in front of the residence, typically on benches or stools, neighbours and children tended to find our presence interesting and would often come by to listen in. Alternatively, when we went inside there could be several children and a husband or wife also sitting in the interview room, as many houses consisted of only one or two rooms. This was particularly challenging for interviews with women, as at times the men attempted to answer for their wives. After this happened the first time, I addressed the issue by having my translator explain to everyone that I was interested in the woman's responses only, and would interview the man separately afterwards if he wished. I occasionally then asked the male family member a few questions after the interview with the woman, in order to give him an opportunity to share his views. While this worked quite well, these follow-up interviews were discussions that I did not incorporate in the findings; I did not want to interview more than one person in a family because men and women typically share the farm. However, this approach proved quite effective in allowing me to hear the views of the women I interviewed in such situations.

Overall, the interview location entails potential implications for the results of this study. Farmers may have been less willing to admit sales to private buyers or women may have avoided discussing gender disadvantages due to these factors I have outlined above. As such, the likely impact on the responses in my survey is that I may have underestimated the degree to which farmers sell to private traders or women experience gender discrimination. I discuss this further in Chapter 6's overview of the findings.

The interview guide for Group 4 respondents can be viewed in Appendix 15, and the Swahili version is in Appendix 16. Group 4 interviews required translation services, and these costs were therefore factored into the project budget. I held producer interviews in Swahili or local Bantu languages such as Chagga, employing three translators in Tanzania. These individuals signed both a confidentiality agreement and a contract (see Appendices 17 and 18). I held all producer interviews in person in community meeting

facilities, cocoa fields, farms, and gathering points. While I did not record this set of interviews, I transcribed interview notes in a field journal.

I piloted my questionnaire with two producers at Uru North, Moshi in May 2012 on my second field trip. Berg (2007) outlines the importance of a pre-test schedule that incorporates a practice interview, the purpose of which is to ensure that all necessary questions have been asked, that the questions elicit the type of responses sought, and that the language is meaningful. As suggested by Miner-Rubino and Jayaratne (2007), I not only asked individuals to respond to questions but also asked them to provide feedback on the wording of questions.

As David Karp explains (cited in Hesse-Biber 2007), in-depth interviewing allows one to engage in simultaneous processes of data collection and analysis, and the two should inform each other. I wrote memos from day one and summarized my field notes daily, coding them according to theme and at times dictating into my digital recorder. The early data helped me to determine which themes to pursue and which ideas to reevaluate. It also allowed me to move in new, unanticipated directions. After ten interviews I reevaluated the interview guide in order to assess what I was learning or failing to learn (Karp cited in Hesse-Biber 2007). While there is no clear cut-off point for case study research, as Yin (2009) prescribes, I conducted interviews until I felt that I had confirmatory evidence and had attempted to investigate rival hypotheses, such as the involvement of external organizations in giving producers a voice.

4.4.2.3 Focus Groups

Focus groups are defined by Bryman (2001, 503) as “a form of group interview in which: there are several participants (in addition to the moderator/facilitator); there is an emphasis in the questioning on a particular fairly tightly defined topic; and the emphasis is upon interaction within the group and the joint construction of meaning.” Focus groups differ from in-depth interviews as they comprise an interview with multiple respondents (Leavy, 2007). Chambers (1994c) claims that focus groups may be preferred over individual interviews for four reasons: (1) they may be more efficient when time is limited (as was sometimes the case in this research), (2) there may be an overlapping knowledge spread that covers a wider field than an interview with one member might, (3) there is instant triangulation, and (4) one might be able to address more sensitive topics. I studied focus group techniques prior to beginning this project,

and have hosted focus groups in the past through a previous job in marketing. As such, I felt well equipped to lead these discussions. I used a focus group guide (see Appendix 19), deviating from it where necessary, and tracked all seating arrangements in my notes. There are, of course, limitations to focus groups; these include limited control on the part of the researcher, data that is difficult to analyze, and possible problems of group effects (Bryman, 2001).

I held focus groups primarily when it was more convenient due to respondent time availability or comfort level (as in the case of an all-female group). I held five producer focus groups in total (see Appendix 20 for a list of focus groups). Leavy (2007, 173) claims that the main appeal of this method for feminists is the ability to “conduct ‘with disenfranchised groups and the ability to access “subjugated voices”” as this technique is useful for accessing knowledge from a marginalized group. While focus groups are known to facilitate open expression among members of marginalized social groups (Neuman, 2006), they can also limit the discussion to one or a few topics. There is also a risk of a “group effect” that can facilitate knowledge building by creating a comfort level, or in other cases be detrimental as individuals may dominate the conversation (Leavy, 2007). I found this to be true in some focus groups where one individual would always speak first. My role as moderator was therefore key, and entails the degree of control that I chose to exercise. This was further challenged by the fact that focus groups had to involve simultaneous translation into Swahili by my translator, and everything was slowed down as I waited for the translation in order to take notes. I did not use a digital recorder as these focus groups were at times held with respondents who did not wish to be interviewed individually, and I felt that this could pose an additional challenge.

4.4.2.4 Direct Observation

I engaged in non-participant observation (meaning that I was not myself a participant, but rather a simple observer) on a regular basis, as a means of gathering data in a natural setting (Babbie and Benaquisto, 2002, 308). I was overt about my role as a researcher, and introduced myself to individuals as a PhD student from Queen Mary conducting Fairtrade research on participation and representation in Fairtrade. During all three field trips I visited farmers’ fields and homes, co-operative meetings, weighing stations, the coffee auction on numerous occasions, factories, conferences, and Fairtrade premium projects such as a school and a pine tree farm. I also followed field officers around on

visits. I even attended the wake of a factory employee who was killed in a road accident, as a sign of respect while I was staying in Kayanga. I was based in an office at MUCCoBS and had the opportunity to observe and interact with academics in this location. I also spent time in all three union offices, as well as the Kahawa (coffee) building where the auction was held, and feel that throughout this time Group 2 interviewees developed a necessary level of comfort with my presence. This also allowed me to be readily available when necessary and my translator was always nearby.

Based on Chambers' (2007, 2008) approach to assessing whose knowledge and reality counts, I crafted a list of observations. At all events I attended I made observations about the following, recording everything in a field journal: *Where are meetings held? Who is invited? Where do people sit? How do people participate? Who speaks? Who is listened to? What are the power dynamics?* This allowed me to complement my knowledge of individuals with observations about their day-to-day activities. I do, however, acknowledge that in many cases my presence may have affected their activities.

4.4.2.5 Document Analysis

Finally, I supplemented the research with a review of written and electronic materials including meeting minutes, letters, emails, financial data, co-op reports, Fairtrade premium spending information, and membership lists. I also reviewed marketing materials, presentations, videos, newsletters, websites, and related communications, as well as related media stories.

4.4.3 Coding and Analysis

Following data collection, I searched for meaning within the data; memoing and coding provide two important tools for accomplishing this (Hesse-Biber, 2007b). The aim at this stage was to interpret the data and unearth patterns or themes. I used coding, the development of concepts and categories, and memoing, writing down these ideas during the coding process and then elaborating on them, to bring order and coherence to these responses and to search for similarities and dissimilarities (Babbie and Benaquisto, 2002). I searched for patterns and themes, compared and contrasted responses,

contextualized incidents and experiences, and engaged in the challenging process of data reduction, choosing which threads to pull (Buch and Staller, 2007).

I developed a provisional coding system of established themes ahead of the first key informant interviews, which built upon the theoretical framework and literature review. This allowed me to organize and pre-code the large quantities of data that I began to amass, and I organized these codes as 'nodes' using nVivo software. In order to determine these initial themes I relied on my theoretical propositions as per Yin's (2009) guidelines, and the EPG framework determined many of the codes at this stage, such as 'bottom-up participation', 'deliberation', and 'power relations'. Beyond EPG-related themes I also focused on broad categories such as 'coffee', 'co-operatives', 'Fairtrade premiums', and 'governance'.

As the research progressed, additional themes emerged and I therefore engaged in an iterative approach to coding. Examples of new codes included 'capacity building', 'competition', 'breakaway groups', and 'gender'. I entered new codes in nVivo as they arose in interviews, and regularly reviewed existing categories to assess their importance to the research. I eliminated some categories as the research went on. For example, I had originally planned to focus on the Fairtrade producer networks and created several codes for this topic including 'Fairtrade Africa', 'CLAC', and 'governance of producer networks'. However, as my focus shifted away from the producer networks, I eliminated these nodes in nVivo and shifted this material to a node on background information.

While in East Africa, I wrote out field notes every day. I either did this on my computer at night, regardless of how exhausted I was, or by hand in a notebook during gaps in interviews. I found it essential to do this while the ideas from the day were still fresh in my mind, and I filled 13 notebooks with my notes throughout the three trips. On days with fewer interviews planned, I took advantage of the time off to plug these notes into the appropriate nVivo coded categories. This allowed me to process the information as I went and to notice unexpected discrepancies or new categories. For example, while coding during some producer interviews during my third research trip, I began to notice that I had notes coded under 'training', 'education' and 'gender' that all fit the theme of 'capacity building'. Therefore, I added 'capacity building' as a node and this became a

key finding in the research. Overall, I found that this flexible approach to coding led to a thorough and effective analysis of the data.

Analyzing case study evidence is one of the most challenging elements of case study (Patton, 2002). As Miles and Huberman (1984, 16) state: “One cannot ordinarily follow how a researcher got from 3600 pages of field notes to the final conclusions, sprinkled with vivid quotes though they may be.” I was fortunate to have conducted previous Fairtrade fieldwork in Peru, and feel that this experience helped me to more effectively collect, code, and analyze the data while limiting human error. I transcribed all interviews myself, and analyzed data with the use of a computer-assisted tool, QSR NVivo software. I used pattern-matching logic to compare the empirical patterns with the predicted ones, which serves to strengthen the validity of the research (Trochim, 1989, Yin, 2009). Additional codes emerged throughout the data analysis process, such as ‘exit’ and ‘capacity building’ and I incorporated these as well; therefore, I coded into two broad categories of expectant and emerging themes (Layder, 1993). As Buch and Staller (2007) note, while it is useful to enter the field with a variety of formal and informal theories, this process is often iterative and requires the researcher to refine or reformulate her theoretical ideas.

It is important to note here that the process of data collection often overlapped with coding and analyzing; as such, I often engaged in observation and analysis at the same time, iterating between theory and data (Eisenhardt, 1989a). I shared results with stakeholders in this research on an ongoing basis, as I wanted to collect continuous feedback on my findings. As Buch and Staller (2007) explain, many ethnographers share findings with the community they study before publishing anything in order to obtain feedback from the community and ensure accuracy in the reporting. I found that these presentations (at all three union headquarters, MUCCoBS and the Kenya Co-operative College) helped me to analyze some of the findings in a much more effective and meaningful way than might otherwise have been possible.

Causality is complex; a cause-and-effect relationship is an emergent property of various interacting conditions and cannot be considered a linear process; as a result, it can be challenging to say something meaningful about its isolated components (Steinberg, 2007). Variables may be sufficient but unnecessary for the outcome, or, as seen in the case of multifinality, may follow different pathways to varying outcomes (Bennett and

Elman, 2006). Throughout this process I therefore considered equifinality, or multiple causation (George and Bennett, 2005, Ragin, 1987). Patton's (2008) theory of contribution provides a framework for understanding the important distinction between attribution and contribution. As an example of this, I hypothesized that actors outside of the Fairtrade system also play a role in facilitating capacity building and aimed to confirm or disconfirm this hypothesis in interviews with key informants.

4.4.4 Reflexivity

Reflexivity is the process through which a researcher "recognizes, examines, and understands how his or her own social background and assumptions can intervene in the research process." (Hesse-Biber, 2007a, 129) As is common to all qualitative work, complete objectivity is impossible. Through a consideration of reflexivity the researcher is identified as a significant figure who determines that collection, selection, and interpretation of data (Finlay and Gough, 2003). Feminist researchers consider reflexivity throughout the entire process, which entails self-reflection on one's values, attitudes, biases, lived reality, and experiences regarding the research process (Hesse-Biber, 2007a).

While the researcher is the primary 'instrument' in a project, this individual also brings shortcomings and biases to the work; it was my responsibility to identify and monitor these (Merriam, 2002). As it is impossible to possess a neutral or value-free position, I therefore reflected on how my emotions, values, and political standpoints may affect the research. I was aware of the fact that I approached this project with certain opinions, both conscious and unconscious. I strove to appreciate and depict the world authentically while being self-analytical, politically aware, and reflexive in consciousness throughout the research process (Patton, 2002, 41). Recognizing that I am a product of my society's social structures and institutions, I was conscious of my role as an observer and the impact it could have on my findings.

As part of this, I considered how my previous experience as a Fairtrade practitioner could lead to a bias in my approach, as the research inevitably reflects my personal identity and ideology. One potential bias relates to my own background as a Fairtrade practitioner. Before commencing this project, I worked in Communications at Fairtrade Canada and a Fairtrade ATO named La Siembra Co-operative. Through this experience I had previously come into contact with some of the people I interviewed. While this

helped me to access some of the Group 1 interviewees, it may have also affected how some of these individuals viewed and related to me.

I also considered the power implications of my gender and race. There are sensitive issues of gaining access, trading on friendships, and the politics of reporting (Buch and Staller, 2007). Hesse-Biber (2007a, 139-140) rightly questions: “Can a middle-class, white female interview a woman from the Third World who is living in poverty?” As a white middle-class female, I considered how my gender, race, ethnic background, and social class affected the research process. As a woman, my gender at times posed advantages, such as allowing me to interview female respondents who might not have felt comfortable with a male interviewer. However, my gender also posed challenges with regards to how I was perceived, particularly by men in male-dominated Tanzanian society. My race was also an important consideration. At times it helped me to achieve access to respondents, as there was a certain ‘status’ related to being a foreigner in Tanzania. In many cases I was granted access to senior officials or managers whom I would have undoubtedly had difficulty accessing in the U.K. However, my whiteness also made it clear that I was an outsider, which at times posed difficulties with regards to how I was perceived. This was not easy to ignore given the constant references that were made to me as ‘mzungu’ (*white person* in Swahili). For example, people may have been unwilling to talk freely about certain topics with me, as Tallontire (1999) finds during discussions of corruption during her research in Tanzania, as they may have associated me with traders, auditors, or donors.

4.4.5 Ethics

Ethical principles are essential to observe throughout the entire research process, be it the truthful reporting of data or accurate referencing for contributions (Miner-Rubino and Jayaratne, 2007). The participants in this project included members of vulnerable populations and I adhered to strict ethical guidelines regarding anonymity, the consent process, photos, and videos. Confidentiality of data was important in all interviews due to the sensitive nature of some of the documents I reviewed, such as meeting minutes.

I obtained a two-staged ethical approval. Queen Mary, University of London provided the Ethics Clearance, recorded as QMREC2011/54, included in Appendix 21 and 22 of this report. I applied for ethical clearance in two stages because I wished to begin key informant interviews prior to developing the full research plan. As such my first

clearance was granted in July 2011, quite early in the project, and permitted me to engage in fieldwork and elite interviews, but not producer-level interviews. Full ethical clearance was granted in May 2012, in advance of the producer interviews.

Beyond the strict ethics clearance, I also have responsibilities related to how I gain access to people, the process of obtaining consent, and the politics of reporting people's experiences (Buch and Staller, 2007). This project adheres to the foremost ethical rule of social research of bringing no harm to respondents (Babbie and Benaquisto, 2002). In the case of village-level interviews, additional sensitivities such as potential illiteracy in the consent-granting process were addressed. I obtained informed consent, either written or oral, for all interviews. I gave a letter of information (Appendix 23) and a consent form (Appendix 24) to participants in Group 1, 2 and 3 interviews, and I sought permission for digital recordings during these interviews. In the case of producer interviews and focus groups, I read an abridged version to the respondent; my translator read it in Swahili or a local dialect where necessary.

4.5 General Limitations

The methodology for this study has a number of possible limitations. I used a triangulated approach to strengthen each method while minimizing the weaknesses (Patton, 2002). However, I must consider this study's limitations vis-à-vis my role as researcher, working with translators, the sample size, and limited documents and records.

Firstly, there are limitations related to my role as researcher. There is a possibility that I, as observer and interviewer, may have affected the situation in some unknown way (Patton, 2002). Respondents may have felt compelled to reflect more positively on Fairtrade if they associated me with a Fairtrade organization; through my previous role as a practitioner, I risked being perceived as a Fairtrade affiliate. In order to address this possible conflict of interest, I introduced myself as an independent researcher known to Fairtrade Canada. I may also have distorted responses due to personal bias, and I therefore regularly reflected on reflexivity throughout the project.

The second limitation is that I worked with three translators. This was one of the most challenging elements of the research, and posed several problems such as the time

required to train the translator, filtering questions and answers through a third party, and errors in translation. For example, the term 'Fairtrade' had two translations in Swahili, and the original phrase '*usawa wa biashara*' used by the translator was less common; as a result we switched to '*soko la haki*' after several interviews. Personal bias, politics, emotional state, or lack of awareness on the part of translators may have served to filter the results (Patton, 2002). In order to reduce errors in the producer questionnaire, I had the document back translated into English from Swahili (see Appendix 25). While there were some minor errors, I concluded that the translation of the questionnaire was quite accurate. As previously mentioned, I also had all translators sign a contract (see Appendix 17) as well as a confidentiality agreement (Appendix 18).

Thirdly, I was constrained by a limited sample. Owing to issues of access and time limitations, I was unable to speak with non-members or local traders. For the same reasons I sampled a very small percentage of the population, and therefore the results may not be representative. Fourthly, documents and records have limitations (Patton, 2002). They may be inaccurate or incomplete, and in some cases I had great detail while in others I had very little.

In order to reduce the likelihood of these limitations, I aimed to ensure reliability and validity, both external and internal, throughout. Reliability is the degree to which a measure of a concept is stable (Bryman, 2001). It refers to the coherence and transparency of the analytical procedures (Eisenhardt, 1989a), and I aimed to do this here by providing detailed information on case selection, design, and fieldwork procedures in order to make the research replicable. External reliability is the degree to which the study can be replicated, and I therefore provide all relevant information here including interview questions, respondent details, and study locations. Internal reliability may refer to whether or not the research team agrees with what it sees and hears, and I addressed this by engaging in ongoing discussions with my translators about their interpretations of the interviews.

Validity, in contrast, is concerned with the integrity of the conclusions generated from the research (Bryman, 2001). Internal validity is the match between the researcher's observations and theoretical ideas they develop (Bryman, 2001). Eisenhardt (1989a, 544) notes that "[a]n essential feature of theory building is comparison of the emergent concepts, theory, or hypotheses with the extant literature." I aimed to ensure validity by

engaging with the data, analysis and literature on an ongoing basis. External validity complements this by referring to how the study's findings may be generalized across social settings (Bryman, 2001). I sought to accomplish this by thoroughly reporting all research procedures.

4.6 Conclusion

Over the two-year research period, I engaged in many interviews, observed many events, and read a great deal of documentation. I believe that this data triangulation allowed me to effectively capture the perspectives of multiple stakeholders in order to tell the story of collaborative governance at these organizations and to learn more about how individuals participate in Fairtrade decision-making. There are limitations to the study, as outlined above, and it was key to consider reflexivity as a means of understanding my role as a researcher.

It is clear from the overview of the multiple case study that the three cases share some commonalities but also differed quite strongly. In this chapter I have highlighted these variances in supply chains, leadership and management, and assets. In the following section I move on to a discussion of the findings and pull in insights around these three themes.

PART II: FINDINGS AND RECOMMENDATIONS

Chapter 5: A Partial Fit to EPG

5.1 Introduction

In this chapter I outline my findings on decision-making at Tanzania's coffee unions, in order to assess how Fairtrade might give producers a voice. I evaluate Fairtrade's fit to the procedural elements of Fung & Wright's (2003) Empowered Participatory Governance (EPG) model. This involves a critical assessment of how well Fairtrade facilitates participation, deliberation, devolution, and centralized co-ordination – elements that Fung and Wright define as key to collaborative governance. I then consider power relations, vital to Fung & Wright's Enabling Conditions, at both the internal level of management and leadership, and the external level of the State.

In Chapter 2 I noted that Fairtrade works through co-operative structures for small producer organizations, and identified a fit to Fung and Wright's model in terms of the institutional structures that are in place. However, through fieldwork I identify challenges related to communications, decentralization, management, and leadership, which all have the potential to lead to an overall lack of individual producer participation in decision-making. I explore the deliberative process for Fairtrade premium usage, which I posit as one of the system's most important elements, in order to learn more about this.

Overall, I discover that producers are quite involved in decision-making processes at their primary societies, with the majority claiming to both attend and speak at meetings. However, communications and the level of decentralization vary across the unions and KNCU is noticeably weaker in its fit to EPG than are KCU and KDCU. I also find that there are barriers to substantive participation in decision-making, particularly for women. Finally, despite recent reforms and the apparent resilience of the model in Tanzania, I find that the country's co-operative sector may not have evolved much from a previous era of high government intervention, and that managerial and leadership

deficiencies pose challenges to producer participation in decision-making.

5.2 Using EPG for Fairtrade Research

As outlined in Chapter 2, I adopted Fung and Wright's (2003) EPG model (see Chapter 2) in order to examine decision-making processes within Fairtrade. This model has been effectively employed to assess topics such as participatory budgeting in Brazil and decentralized planning in India, and overall I find it well suited to this study on Fairtrade in Tanzania. I used EPG to develop my methodology and questionnaire, and adopt it here to structure the findings from my research. The use of EPG establishes a high benchmark for an analysis of Fairtrade and, as will be seen, some of the findings do not fit the model. As a result, I identify areas of weakness in Fairtrade's fit to EPG. If EPG is taken as a good model of collaborative governance, this may be pertinent to FLO's efforts to strengthen producer participation.

I use only the procedural elements of EPG, which include the general principles, design properties, and power relations, to analyze and report this section's findings. I do not assess institutional objectives here, and the reader will note that this section is missing from the final comparison table. Generally I find a consideration of the institutional objectives better suited to a longitudinal study. Had I instead visited the unions before they joined Fairtrade or before the breakaway groups departed, and returned later to learn about the evolution of the decision-making process of these groups, I might be in a position to comment on institutional change. The exception to this is a consideration of equity, which I explore further in Chapter 7. Overall, I feel that an assessment of EPG's procedural elements allowed me to explore the decision-making processes at these unions in sufficient detail to determine the nature of decision-making and whether or not producers truly have a voice.

5.3 General Principles

5.3.1 Bottom-up Participation

Various principles are fundamental to the EPG model, one of which is bottom-up participation, or the involvement of ordinary people. This does not imply that experts

should not be engaged, but rather that they should not have exclusive decision-making power (Fung and Wright, 2003). The FLO standards state that decisions must be made democratically, requiring organizations to maximize member participation and ensure that members all have voting rights, often through a system of elected delegates (Fairtrade International, 2011e). As outlined in Chapter 2, FLO has also taken strides towards increasing producer participation in governance in recent years. In order to assess bottom-up participation, I asked farmers how they participate in their primary societies (Producer Questionnaire Question 18 (Q18), Appendix 15). The answers, some of which stem from multiple responses, are outlined in Table 9.

Table 9: Primary Society Participation

Response	Frequency ¹⁰
Frequently attend meetings at the primary society	56
Vote for Board members	49
Act/acted as Board member	30
Act/acted as Secretary-Manager	3
No participation – meetings are too far away from home	1

The majority of producers at all three unions therefore claimed to attend meetings and vote for Board members, and I take this as a good sign of bottom-up participation.¹¹ The quorum for meetings in Tanzania is 100 members or 50 per cent of membership (TFC & CDD, 2006), and at all primary societies it was reported that quorum was met at meetings (Producer Questionnaire Q20). However, when I observed an AGM in Old Moshi in August 2012, the meeting went ahead without quorum, despite the fact that union Board members were present and could have objected to this as a violation of co-operative law (Author’s non-participant observation). The Chairman later told me that meetings get cancelled often because they do not meet quorum (Interview G3 R4).¹² This indicated to me that there may in fact be issues of meeting frequency and quorum which I did not learn about during other interviews and observations.

As I was also interested in learning about which individuals participate in these discussions, I then asked farmers if they speak at meetings (Producer Questionnaire

¹⁰ Frequency refers to the number of individuals who gave this response. The number 56 indicates that 56 producers (out of a total of 68) said this.

¹¹ The number of Board members amongst respondents is quite high, which could be due to individual self-selection for interviews, as addressed in Chapter 4’s overview of the methodology and its limitations.

¹² This code refers to a respondent in Group 3, listed as respondent 4. All related non-confidential information can be found in Appendices 9 to 12.

Q21), to which 63 of the 68 responded that they did – another very positive finding. Some of the responses I received when I asked why they contribute are outlined in Table 10.

Table 10: Contributing to Discussions

Response	Frequency
Share views	7
Ask questions or get clarification	6
Strengthen the co-operative	4
Address a problem	3

With regards to the ‘Address a problem’ response that three producers gave, examples of potential problems that might incite them to speak included a desire to remove a Secretary-Manager or a Board member (Interviews G4 R23 & G4 R34). Overall, I was quite surprised by this high frequency of producer participation in primary society meetings, but it was confirmed when I observed the Old Moshi AGM and witnessed many of the producers speaking (Author’s non-participant observation).

Based on these interviews and observations, it appears as though, according to the sample of individuals I interviewed, producers have the opportunity to speak and be listened to at meetings. This is, however, more of a reflection on the co-operative model than the Fairtrade system, and it is essential to disentangle the two in order to avoid false causality. Fairtrade at this level is neither necessary nor sufficient for democratic decision-making, as the primary societies I visited were all co-operatives before the unions joined the Fairtrade system. While Fairtrade participation may affect the topics that are discussed (as in the case of the Fairtrade premiums), the processes and practices for decision-making at this level existed long before Fairtrade did.

In Chapter 2 I outlined barriers to producer participation in decision-making including producer skills, confidence, and knowledge, and these three elements also came through in interviews. As an example of how skills and confidence may play a role in affecting deliberation, the Board Chair of Kyengia, who is female, said that most women are afraid to speak in front of men (Interview G3 R1). I intentionally over-sampled women (as outlined in Chapter 4) and had the opportunity to ask many women questions about participation. During individual interviews, I did not observe a gender divide amongst men and women with regards to their claims about participation. However, the reality of

the situation could very well have differed from what they reported about their participation. For example, in an all-women focus group in Kibosho Central, women told me:

“We are given the opportunity to speak so we do sometimes. But it is mostly men who speak. Mostly men attend meetings. Many women do not have an identification card so they can't go.” (Focus Group 2)

This indicated to me that there is a potential issue with substantive participation amongst women. I had only one opportunity to observe an AGM, in Old Moshi, and noted that women seemed quite willing to voice their opinions and a few were quite outspoken (Author's non-participant observation). However, I cannot generalize to comment on whether or not women at other primary societies speak as often as men do based on this one meeting. Overall, given that most producers I interviewed claimed to attend meetings and participate in the discussion, I find bottom-up participation to be quite high at the level of the primary society for all three unions. This does not necessarily mean that all producers participate, however, as one Fairtrade expert explained during a discussion of producer participation:

“We can look at how active producers are. Did they have the opportunity to participate? If they did and chose not to, that's democracy. Some producers will say they don't want to participate. We do tend to get the voice of producers who are much more involved in the system in terms of their business operations and that's inevitable.” (Interview G1 R1)

5.3.2 Deliberation

Despite the fact that I found bottom-up participation to be high, this does not imply that the decision-making process entails genuine deliberation – another of Fung and Wright's (2003) general principles. Deliberation requires that producers come together to listen to each other, discuss alternatives, and choose the best option as a group. During exploratory research in 2011, I visited a tea co-operative in the Mbeya region (southern Tanzania) and had the opportunity to interview people there. The manager of a tea factory said to me:

“In our country we have been very calm for a long time. If leaders tell us to do it, we will do it. Farmers should instead sit and decide together.” (Interview G1 R17)

During interviews I asked producers who makes decisions at meetings of their primary societies (Producer Questionnaire Q23). Of the 68 farmers, 54 claimed that producers are responsible for making decisions, 12 stated that the Board makes decisions, and the remaining two said that they were unsure. Overall, producer awareness of co-operative decision-making procedures was high. Elaborations on this process included:

“When there’s a matter to be decided, the Board sits first. Then they call a general meeting and tell the members. The members are the last to decide. The Board cannot pass a resolution without the farmers’ agreement.” (Interview G4 R1)

“We discuss together and decide together.” (Interview G4 R26)

“The Chairperson controls meetings but we all have to agree.” (Interview G4 R65)

One slightly disconcerting finding was that, of the 12 farmers who thought that the Board was responsible for decision-making, five thought it was solely the Chairperson who had the power to make decisions. I triangulated by asking this question about who makes decisions in a Kibosho Central focus group of farmers and, more promisingly, everyone in the focus group stated that decisions are made by producers at the AGM (Focus Group 1).

Despite these findings that producers are involved in discussions at meetings, there was some evidence of a lack of genuine deliberation in interview responses. A tour guide at KNCU stated:

“We vote; argue through opinion. But sometimes the more powerful win. Producers get to ask questions but the meeting goes quickly; farmers are quiet because they are confused.” (Interview G2 R2)

One academic at MUCCoBS also explained about KNCU:

“There is a syndrome of waiting for the meeting to make decisions. The leaders tend to dominate the decisions because of how they prepare agendas. So they always come up with a certain kind of decision.” (Interview G2 R19)

Knowledge is clearly essential to deliberation, as farmers must understand the issues in order to discuss them; however, it is not practical or sensible for every producer to have access to excessive amounts of information. So how much information do farmers really

need? I asked this question of the Director of Producer Partnerships at the Fairtrade Foundation, who noted that:

“We’ve got to be careful not to overlay our Western values as, to an extent, we would want each farmer to be involved and to be participating. But actually what is important is that people can make informed decisions themselves. [...] We want to see that individuals are able to play a greater role but we can’t ignore the fact that some individuals may choose not to do so.” (Interview G1 R10)

In order to assess how knowledge is shared or communicated at the primary society level, I asked farmers how they receive information from their primary societies (Producer Questionnaire Q22). While I had intended to learn about how information is shared at meetings or events, I instead learned about the mechanisms for alerting producers to meetings, which include notices, the sound of a trumpet, informal discussions with Board members, and text messages. The fact that Kilimanjaro’s farmers tend to learn about meetings through their church or mosque, while Karagwe’s farmers hear about meetings on the radio is not in itself of interest here; however, at all unions it was clear that meetings are the means by which information is shared with farmers. The forums for farmer decision-making are, in fact, mandated by Tanzanian law: AGMs must be held once a year, two months before the financial end-of-year, and there must also be a mid-year meeting. According to Tanzania’s co-operative law, members must receive three weeks notice of the date, place, and time of the meetings (TFC & CDD, 2006), and this appeared to be happening. Overall, meetings are being held and are well attended by producers.

What is of interest here is the fact that communications challenges may be occurring between the primary society and the union and in turn affecting deliberation. In her 1990s research on KNCU, Tallontire (1999, 211) observes communication weaknesses that hinder participation in decision-making between the primary societies and the union, identifying a large vacuum between these two levels. Tallontire (1999) finds that the union provides a highly bureaucratic, uniform service while most farmers still have little to no understanding of the organization, identifying weaknesses in the mechanisms for participation and communication in place between the primary societies and the unions. Unfortunately, I found this to still be the case today at all three unions. In order to learn more about deliberative processes, I explored two situations that exemplify

communications between the primary and the union: (1) knowledge of Fairtrade and (2) a delayed payment in the Kagera region.

5.3.2.1 Knowledge of Fairtrade

Within their primary societies, farmers are tasked with determining how the Fairtrade premium should be used - a process that should, in theory, require deliberative decision-making. However, in general, the farmers I interviewed had very little knowledge of Fairtrade. A tour guide I spoke with at KNCU claimed that few farmers at his primary society were aware that Fairtrade existed (Interview G2 R2). I asked producers how much they knew about Fairtrade (Producer Questionnaire Q37). Of the 68 farmers I interviewed, only 38 claimed to have even heard the term ‘Fairtrade’ before. I asked them to tell me more about Fairtrade and these answers are outlined in Table 11.

Table 11: Knowledge of Fairtrade

Response	Frequency
Had heard the term but could not explain	14
A higher price	12
Premium projects (KCU & KDCU only)	3
Sponsoring children (KNCU only)	3
Both the price and premiums	2
Human rights	2
High quality	1
Environmental standards	1

I triangulated these responses by asking farmers about their Fairtrade knowledge in focus groups. In a Kibosho Central, KNCU focus group of women, five of the six claimed to have never heard the term ‘Fairtrade’ before, and the remaining woman claimed only to have “heard the word in a meeting” but could not define it (Focus Group 2). In a Kasharu, KCU focus group several people had heard of Fairtrade but could not explain it in detail (Focus Group 5). While I anticipated that Board members would have a higher level of Fairtrade knowledge given their role in overseeing premium allocation, this was not necessarily true. One farmer in Kagera had been on the Board for six years but had never heard of Fairtrade (Interview G4 R56) and I met another two Board members at KDCU who did not recognize the term (Interviews G4 R62 & R63).

Fairtrade knowledge was therefore a problem at all three unions. While this is not in itself surprising, as in Chapter 2 I outlined how producers often have little access to information about Fairtrade, the General Managers at the three unions all had an inflated sense of the Fairtrade knowledge that their farmers possessed. The Acting General Manager of KNCU said that farmers were aware of Fairtrade (Interview G1 R2), and according to the Marketing Manager at KCU:

“Our farmers know a lot about Fairtrade. As Fairtrade beneficiaries we are strong. [The Fairtrade Co-ordinator] trains them, and we have many extension officers.” (Interview G2 R25)

KDCU’s Fairtrade Coordinator provided a more nuanced description that appeared to be quite realistic at this union:

“They (producers) know what the Fairtrade premium is even if they don’t know what Fairtrade is.” (Interview G2 R14)

As I explained in Chapter 4, there were difficulties associated with asking producers about the premiums, due in part to the challenge of translating technical terms. Producers at KDCU did know about social projects, which were substantial in this region, and as such this manager’s response may prove quite accurate. However, overall, and given that all three unions claimed to provide farmers with information about Fairtrade through annual training sessions, there appears to be a lack of knowledge-sharing between the unions and the primaries.

5.3.2.2 Payment delays in Kagera

There was also a problem with delayed payments to farmers at the time of research, as many producers belonging to KCU and KDCU had not yet been paid for their coffee that season. KCU’s Marketing Manager explained that the Robusta auction started late in 2012 because there was not enough coffee in June (Interview G2 R25). KCU admitted that the problem was due to its own forecasting, and in September 2012 had still not paid one third of its farmers (Interview G2 R4).

Based on conversations with farmers and field officers, the main problem did not seem to be the delay, but the lack of information that farmers had received about it. In general, farmers were confused about the late payment and had no idea why this was happening. I spoke with farmers, field officers, and a Secretary-Manager who all

complained about a shortage of information. A farmer in a Kasharu focus group said to me:

“Before a new season of coffee the money should be present – why wasn't it?”
(Focus Group 5)

I discovered through interviews with two of KCU's field officers at Izigo primary society that the union's field officers were struggling to answer farmers' questions in the villages where they were located, as they did not know how to respond (Interviews G3 R9 & G3 R10). One of these field officers expressed his frustration:

“How can I as a field officer go to advise them when they're not getting money? What can I tell them?” (Interview G3 R9)

Another field officer was clearly confused about the delayed funds and mistakenly attributed this to Fairtrade – evidence of the mixed messages that result from a lack of communications:

“We tell villagers how to produce coffee, that coffee will be sold as Fairtrade. But Fairtrade is not giving us money on time.” (Interview G3 R10)

The General Manager of KCU (Interview G2 R26) noted that many primary society Boards had not held meetings because they did not know how to explain the delayed payment to farmers. As the Secretary-Manager of Izigo summarized:

“[T]he problem is that there is no perfect information from headquarters about why farmers are not being paid. We have nothing to tell our farmers except to be patient.” (Interview G3 R8)

The delay in the Robusta auction also affected KDCU, as it did KCU's farmers, and some farmers had not been paid at the time of research. The chairman of Nyakaayanja PCS said that, while the relationship with KDCU is usually good, in 2012 the relationship was strained due to late payment (Interview G3 R14). He noted:

“There is no explanation from KDCU. I tried to call the KDCU Chairman but he just said there was no payment and did not tell me why.” (Interview G3 R14)

I asked the Secretary Manager of the Nyakakika PCS why the payment was late, and he replied:

“I'm not really sure. But KDCU hasn't prepared for the competition. They should have borrowed money or made sure they could sell the coffee at the auction. This hasn't happened in past years.” (Interview G3 R15)

Overall, there are clear communications issues between the primary society and the union that may affect genuine deliberation. This, of course, raises the initial question of how much information farmers require. In the case of Fairtrade knowledge, it is possible that farmers do not require a great deal of information about Fairtrade in order to vote on how the premiums will be used. The case of the delayed payment may be different, however, as it was clear that farmers felt that their questions were not being answered. Perhaps a balance is required that ensures that farmers have enough information to make informed decisions and play a greater role if they so wish, while acknowledging that some individuals may choose not to. It is difficult to comment here on what that balance should look like, but the fact that the unions think that producers know more than they do, in terms of both Fairtrade and the delayed payment, indicates that there is the possibility for this to affect genuine deliberation. If there are not good communications processes in place, farmers will not have the information that they require to effectively engage in decision-making.

5.4 Design Properties: Devolution and Centralized Co-ordination

Beyond these general principles of bottom-up participation and deliberation, Fung and Wright (2003) list design properties that are integral to advancing EPG's general principles, two of which are devolution and centralized co-ordination. These authors highlight the importance of devolving power to local action units composed of individuals who are responsible for devising and implementing solutions, and who are held accountable for them. While these local units have considerable power and discretion, they are not autonomous; rather, there are linkages of accountability and communication (Fung and Wright, 2003). In this section I explore the delegate system and Fairtrade premium distribution in order to assess this.

The Fairtrade Coordinator at KDCU explained the role of delegates during our interview (Interview G2 R14). At her union, each primary society elects two representatives who attend the union AGM with the Chairperson of the Board, for a total of 228 representatives. At the AGM they discuss union matters such as Fairtrade

premium usage, and the delegates decide how to distribute premiums among the primary societies. Prior to the union AGM, each primary society calls a meeting to discuss how they would like to spend the Fairtrade premium funds so that the delegates can represent the members at the union-level meeting (Interview G2 R14). The same goes for KCU, while at KNCU two representatives from each primary society, typically a Board Chair and an elected representative attend (Interview G2 R7). A Fairtrade key informant outlined the challenges of representation:

“Our model is through the organization. Any representative system is imperfect. The system itself can be weak. There’s a lot that people who have a representative role have to take on the responsibility for, such as to hear people’s views and to relay them back.” (Interview G1 R1)

Fairtrade premium allocation provides a useful means of assessing centralized coordination and devolution, as the three unions demonstrated variance with regards to the degree of decentralization between the union and the primary. Both the Fairtrade premiums and the Fairtrade Development Plan are voted on by the General Assembly of delegates at the union AGM. As a follow-up to my question about Fairtrade general knowledge, I asked farmers if they know what Fairtrade premiums are (Producer Questionnaire Q39). Of the 68 farmers, 17 replied yes. When I then asked them to describe the Fairtrade premiums, only 4 farmers mentioned social or business development projects. The others either confused the premium with the Fairtrade price (four respondents) or could not provide a description. During pilot interviews, I identified a potential error in translation, as there was confusion over the best way to describe Fairtrade premiums in Swahili. The answer to Question 39 on Fairtrade premiums is evidence of this. I therefore decided to reword Question 40 (originally *“How are the Fairtrade premiums used within the co-operative?”*) and ask farmers: *“Do you know of any social projects within your co-operatives?”* The challenge with this new wording is that they may have referred to non-Fairtrade projects, so I triangulated interview responses with union-level interviews as well as Fairtrade premium documents.

Overall, farmers knew little about the Fairtrade premiums. The distribution process for these premiums demonstrates union-level variance with regards to devolution and centralization, indicating an overly centralized process with issues of trust in producers at KNCU. In contrast, KCU and KDCU’s models exhibit higher levels of

decentralization and are, as a result, better suited to the EPG model. I outline these three processes in the following sections.

5.4.1 KNCU: Union-level Premiums

Since joining the Fairtrade system in 1993, KNCU's Fairtrade funds have been used to fund equipment purchases, schooling, quality improvement, tourism projects, a coffee tour of Kenyan coffee farms, and training for farmers (Interview G2 R7 & G2 R8). However, for the past four years KNCU's premiums have primarily gone towards supporting disadvantaged students through a union-wide program, and the acting General Manager informed me that Fairtrade premium usage is decided at the union level (Interview G2 R1). This is in opposition to what I had expected to find, as FLO stipulates that the Fairtrade premiums should be democratically determined for the "realization of common goals." (Fairtrade International, 2011e) While it is not, strictly speaking, a violation of the standards if this is voted on at the General Assembly, it does seem to contravene the spirit of the premium if decision-making about these funds does not move beyond the union level AGMs.

For the 2010-2011 year, Fairtrade premiums totaled 151,832,792 TSh, and this money was used to fund the position of the Fairtrade Coordinator, cover fees in the foreign exchange account, attend events such as coffee exhibits, and invest in KNCU's union-wide orphans project (Interview G2 R7). In 2012, 410 students had received partial funding through the program (Interview G2 R31). Overall, the Fairtrade premium allocation at KNCU demonstrated a high degree of centralization. As the G32 General Manager noted about KNCU's Fairtrade premium allocation:

"This is suggested by KNCU headquarters; it is not the individual societies deciding." (Interview G2 R17)

An academic at MUCCoBS confirmed this, stating:

"KNCU doesn't give the members the choice to use premiums as they want to." (Interview G2 R19)

When I asked farmers about projects within their co-operative (Producer Questionnaire Q40), 13 of the 28 individuals I interviewed referred to the union's secondary school project, which has seen all premiums overseen at the union level in recent years.

Responses included:

“Orphans go to school.” (Interview G4 R4, G4 R22, G4 R24, G4 R25 & G4 R27)

“In the society we give names of kids who can’t pay their school fees.”
(Interview G2 R2)

“We send 2 kids from each village every year.” (Interview G4 R8)

While very few farmers understood the term ‘Fairtrade premiums’, some responses during interviews from those who recognized the term included:

“We don’t talk about it here; we get that information once the union has made a decision.” (Interview G4 R9)

“We are told that the premiums remain at KNCU and we have to apply for orphans. We receive information from KNCU to write down the names of orphans so they can have a fund for schools fees.” (Interview G4 R1)

A Board Chairwoman at one of KNCU’s primary societies said in a separate interview:

“For four years [the Fairtrade premium] has gone to orphans. I don’t know why.” (Interview G4 R19)

I went back and spoke to the Fairtrade Coordinator at KNCU about this finding. She acknowledged that they had shared the Fairtrade premiums with the primary societies in the past, but went on to say:

“If we give them the option, they won't want projects. They just want the money for themselves.” (Interview G2 R7)

This highlights a potential lack of distrust in democratic decision-making, a clear lack of devolution, and highly centralized co-ordination; overall, these findings on premium allocation at KNCU indicate a potential domination of union management and leaders over premium allocation.

5.4.2 KCU: Premiums to the Primaries

In contrast to the KNCU findings, seven of the 18 farmers I interviewed at KCU primary societies mentioned society-specific projects included buildings for meetings, benches, schools, desks, coffee cleaning machines, electricity, hospitals, security, shops, and toilets. Within KCU, Fairtrade premiums are allocated equitably to primary societies. In recent years, these premiums have been used to invest in schools and improved health

facilities, to provide bonuses for organic production, to construct roads and bridges, to facilitate improved access to clean water, to rehabilitate coffee collection centres, to purchase coffee hullers for members, to increase ownership of the instant coffee factory, and to create an internal loan scheme for members (Interview G2 R21). According to one manager I interviewed, this is so that they can determine how to best meet their own community needs:

“Each primary society has different needs, so they should decide how to use the premium.” (Interview G2 R4)

KCU’s Fairtrade Coordinator, who is responsible for supervising how the premiums are spent, said that premium usage is determined at the primary society annual AGM (Interview G2 R21). He claimed that the premiums are distributed equally to all primary societies, rather than based on their volumes of coffee (Interview G2 R21). The primary society is given the money and decides how to spend it; once they bring their AGM minutes to headquarters, they receive the funds. The Secretary Manager at the Katoro primary society told me that Fairtrade premiums have been used to buy machines as well as to construct primary schools, a building for meetings, and shops that will be rented to business owners (the rent from which will go towards providing farmers with small loans) (Interview G3 R11). At KCU’s Izigo primary society, I saw a letter on the office door from the Fairtrade Coordinator and had it translated (see Appendix 26). This letter explains to the primary societies the value of their premiums, the democratic nature of selecting projects, and clearly allows them the freedom to choose projects to suit their own needs. It therefore provides evidence of potentially strong information flows between the union and KCU’s primary societies.

The Fairtrade Coordinator claimed that the delegates often vote to spend some of the money at the union level, and at the time of research some Fairtrade premiums were being used to build a hotel and rehabilitate the coffee curing factory (Interview G2 R21). In the past premiums have also been used to top up the price paid to farmers, and the Fairtrade Coordinator claimed that when they did this in 2008-2009 they visited every primary society to consult with them first (Interview G2 R21). Premiums have been used at the union in various other ways in recent years, including building a commercial complex, providing Fairtrade training, expanding the organic project, and rehabilitating of one of KCU’s hotels which is used as collateral for loans (Interviews G2 R4 & G2 R17). The premiums allocated to primary societies (of equal value at every

primary society) are outlined in Table 12.

Table 12: KCU Premium Usage 2003 – 2012

Year	Premiums given to primary societies (per PCS)
2003-2004	2 million TSh
2004-2005	1.8 million TSh
2005-2006	2.5 million TSh
2006-2007	2 million TSh
2007-2008	2.5 million TSh
2009-2009	1.7 million TSh
2009-2010	0 (price top-up only)
2010-2011	5.77 million TSh
2011-2012	8 million TSh

Source: Interviews at KCU (G2 R4 & G2 R21), KCU financial documents

5.4.3 KDCU: Productivity-related Premiums

I observed the same decentralized premium decision-making at KDCU, although here the amount allocated to each primary society is based on coffee volumes, rather than distributed equitably as in the case of KCU (Interview G2 R14). A portion of the premium stays at the union and the remainder goes to the primary societies. The Export Manager stated that the premiums go to primary societies based on productivity, and typically to areas with new plots (Interview G2 R12). This differs from KCU and is quite interesting, as the areas that are already advantaged by higher productivity receive higher premiums. KDCU's Fairtrade premium has been used to support various projects at the primary societies relating to education, training, store repairs, new rainwater collection tanks, a dispensary, warehouses, and the purchase and distribution of new coffee seedlings (Interview G2 R14).

When I asked how KDCU had benefitted from Fairtrade, the Export Manager spoke mainly about the Fairtrade premium, stating that it 'supports social life.' (Interview G2 R12) Total premiums for the past three seasons, which are then shared amongst primary societies, are outlined in Table 13. This does not include the amount that is used to fund union-level projects. For the 2012-2013 season, premiums totaled 787.5 million TSh and 240 million TSh was divided amongst the PCSs, with the remainder being used at the union level (Interview G2 R14) At the organizational level, KDCU has used premiums to buy its curing factory (which cost 100 million TSh in 2005), to invest in

Nyaishozi secondary school for children of KDCU members, Kibimba pine forest, water tanks at the factory (used for hand sanitation), watchmen offices, equipment such as dryers, and to send employees to school for a certificate or diploma (Interview G2 R14). They are planning to buy a new car (as the union owns only one right now), a second grader at the factory, and a gravity table that will replace many jobs currently done by those who sort the coffee cherries (Interview G2 R14).

Table 13: KDCU’s Fairtrade Premiums 2010 – 2013

Year	Total premiums given to primary societies
2010-2011	66 million TSh
2011-2012	141 million TSh
2012-2013	240 million TSh

Source: Interview G2 R14, KDCU financial documents

KDCU’s Fairtrade Coordinator stated,

“Premiums should be for a community purpose. They (producers) know what the Fairtrade premium is even if they don’t know what Fairtrade is. Because we teach them.” (Interview G2 R14)

I visited one primary society that reported that they had not used their premiums. When I asked the Fairtrade Coordinator about this, she said that there was a non-conformity on the FLO inspection because of this group, and also mentioned that the Chairman of the same PCS had borrowed money that had yet to be repaid; overall KDCU has 20 non-conformities during its last audit (Interview G2 R14). FLO-CERT oversees Fairtrade audits, and will typically explain non-conformities to primary societies, suggest ways to correct them, and monitor the work of the group in order to ensure that these problems are remedied (FLO-CERT, 2013).

I visited the Kibimba Pine farm, which is a Fairtrade project funded by KDCU premiums. The farm has 100,000 trees that the union intends to use for carbon trading schemes or to sell as timber. I also visited the Nyaishozi Secondary School that has used Fairtrade premiums for projects such as dorms and building construction. Built in 1990s, this school has 475 students and 47 per cent are female; students are mainly the sons and daughters of coffee growers. There are 18 teachers and 13 non-teaching staff. They were in the process of building a girl’s dorm at the time of my visit and, as the headmaster said:

“Because attitudes are changing and more girls are going to school, we need more room. 30 years ago you could hardly find a girl at secondary school in Tanzania. Now there are so many that we need to build a new dormitory. This dorm was built with Fairtrade premiums.” (Interview G2 R39)

5.5 Enabling Conditions: Power Relations

The third element of EPG, after general principles and design properties, refers to the background conditions that may help or hinder EPG. The largest obstacle identified within the EPG model is that of power relations. Although Fung and Wright (2003) note that *absolute* equality is not required, they state that there must be *sufficient* equality of power between participants for the purposes of deliberation. As introduced in Chapter 2, in this analysis I adopt the assumption that power is present in all interactions and has large implications for participation. Yet, as noted by Fung and Wright (2003), a certain degree of equality is required for the purposes of deliberation and democratic decision-making, and as such it is essential for organizations to understand and manage power relations.

The stories and quotes provided in the following section are anecdotal, and I do not aim to discern which union or primary society has the best power relations or the most effective management team. Instead, I highlight some of the characteristics of both a strong and a weak leader as a means of exploring how internal power may become an obstacle to collaborative governance.

5.5.1 Internal Power I – Union Management

While one might expect a co-operative to be more collaborative in nature, Spear (2004) argues that managers may be even more powerful at member-based organizations, such as co-operatives, than they are in commercial organizations. Co-operatives employ professional managers who may run organizations according to their own interests rather than doing what is in the best interests of members and the organization (Spear et al., 2009). I identified turnover, size, and trust to be problematic issues at the level of union management. The notion of trust is one that is absent in Fung and Wright’s (2003) EPG model, although it is closely linked to considerations of power relations.

Turnover was a major issue at KNCU, although it was not mentioned at the other two unions during interviews. I spoke with an ex-KNCU manager about recruitment, who stated that there is high turnover amongst management; he attributed this to a problem with recruitment and the fact that these managers are not farmers and as a result may not be committed to the organization (Interview G2 R17); another academic felt that there was high management turnover because managers have no contact with the primary societies (Interview G2 R19). During the course of this research I witnessed high turnover in the role of the General Manager at KNCU. When I first visited KNCU in August 2011, I met an acting General Manager and was informed that the union had not hired a General Manager since the last one left (Interview G2 R1). During my second trip in May 2012, I met a second acting General Manager (Interview G2 R6). Upon returning for a third trip in July 2012, I learned that the second acting Manager had left and the first had been reinstated again as acting General Manager, as there was still no permanent General Manager. I asked the Board Chairman about this in an interview, and he told me that the union has struggled to recruit a well-educated, efficient manager (Interview G2 R31).

An interviewee at Fairtrade Africa claimed that KNCU could not be efficient because of its size, and cited problems of bureaucracy and inefficiency (Interview G1 R7). One trader I interviewed, who has visited and worked closely with Tanzania's coffee co-operatives, noted that these large unions often exhibit a distance between farmers and union management that makes it difficult to get anything done. He stated that, particularly in Africa, there is a great deal of hierarchy and management offices are often inaccessible to farmers, referring to the General Manager's office as 'a king's lair' (Interview G1 R12). One coffee tour guide, in speaking about management, told me that:

"People at KNCU aren't right. They do their own business with the money, things that small farmers wouldn't do. This has been a problem for many years." (Interview G2 R2)

I interviewed an academic who had studied the impact of governance on coffee prices in the Bukoba region, where KCU is located (Interview G2 R19). During this study, his team identified several problems with KCU's management: (1) a lack of close interaction between leaders and farmers leading to an absence of common goals, (2) a lack of consultation with the primary societies, who were viewed solely as labourers

supplying inputs, and (3) an increasing awareness on the part of the primary cooperatives that they could exist without KCU, which the interviewee attributed to liberalization and Fairtrade. However, he said that the General Manager of KCU was not interested in the results of the research because he “wanted the primary cooperatives to be submissive to the union.” (Interview G2 R19) One academic claimed that knowledge might be used to create power imbalances between managers and farmers. He stated:

“There’s a kind of weakness amongst our people. Some are honest; some are not. Some of those who are not honest are knowledgeable, so they can make use of the weakness that is in the society to steal from them.” (Interview G2 R19)

I was interested in learning more about issues of trust, and potential distrust, in management. As there were translation issues with the term ‘trust’, during interviews I asked producers if they had confidence in the management of the union (Producer Questionnaire Question 27).¹³ Of the 68 farmers I interviewed, 42 said yes, 13 said no, and 13 were unsure. Those who responded in the negative were primarily farmers from breakaway groups or KCU and KDCU farmers who were frustrated with the payment delay. Some of their comments referred to trust or confidence:

“This year, because money is delayed, people are complaining about confidence in KCU.” (Interview G4 R50)

“When there are money delays we can’t buy things like farming tools. We hire people to work in our farms, so when there are delays we can’t pay them. So I have no confidence in KCU.” (Interview G4 R52)

“Formerly we could trust them but people are shying away because of the price, which is too low.” (Interview G4 R58)

“One time they advertised a price of 1600 TSh on the radio, but when we came it was 1500. So we don’t have confidence.” (Interview G4 R65)

KCU’s field officers expressed a tension between the field officers and management of the union, telling me that they had many questions but did not feel as though they could approach the Organic Coordinator and that he was difficult to meet with (Interviews G3 R9 & G3 R10). One of these individuals stated:

“We can’t express our views. We have had no meetings to talk about the [delayed] money; he doesn’t meet with us.” (Interview G3 R9)

¹³ The original word ‘trust’ did not translate well in Swahili. Under the advice of my translator, we used the word ‘confidence’ instead.

At Mamsera, the results were quite different. As this primary society is not part of the union for transport and marketing purposes, the Secretary Manager takes on a much bigger role than the typically administrative one seen at primary societies belonging to KNCU. In contrast to the primary societies still marketing to the unions, where farmers had little to say about their Secretary Managers and this position is typically viewed as an administrative rather than a managerial position¹⁴, Mamsera's success was attributed to its Secretary Manager (Interview G3 R2). A KNCU manager stated the following reason for Mamsera's success, once again referring to trust:

"They've been successful because they've trusted the woman in charge; she has autonomy to make decisions." (Interview G2 R6)

While interviewing the Secretary Manager at Mamsera, I asked her why she decided to apply for the position of Secretary Manager. She explained:

"There was a problem with the society Secretary Manager then. We were losing money, and there was no effectiveness in service delivery so people left. When I joined it was not a good situation. We needed people to trust the society again, and now they trust us." (Interview G3 R3)

I did not find the same testimonials about management at the G32 societies, but inferred that this may be related to the fact that they still belong to an association (formerly known as a joint venture) and the primary society management may not take on a strong managerial role as in the case of Mamsera. Overall, I determine that trust/confidence is key to the relationships between union management and farmers, and is often lacking in these relationships due to issues of high turnover (observed at KNCU only) as well as size (observed at all three unions).

5.5.2 Internal Power II – Board of Directors

In order for Board members to be effective, they must possess the necessary skills and experience (Spear et al., 2009). As Spear et al. (2007, 55) assert, in the case of a dysfunctional Board: "where the board is formally accountable to membership, it could, in principle, be removed by the members." One academic I interviewed explained:

¹⁴I originally asked producers about management of their primary society in pilot interviews, but found that producers responded with information about the union, presumably because the Secretary-Manager position is viewed as an administrative one at primary societies belonging to unions. This may have also been due to the fact that interviews were often held in close proximity to the primary society headquarters and producers may not have felt comfortable talking openly about the Secretary-Manager.

“At a lot of unions, including KNCU, there is a crisis. It is a crisis of the right leadership. The age of liberalization requires new leadership. It requires entrepreneurial leadership, but the history of leadership in the union has been more political.” (Interview G2 R20)

Tenure for Board members has been an ongoing problem in Tanzania, and as a result the 2003 *New Cooperative Societies Act* limits Board tenure to three terms of three years each (The United Republic of Tanzania, 2003). The government claims that the country’s co-operatives of the past were poorly managed because leaders remained in their positions for overly long periods of time, and made decisions without involving everyone (TFC & CDD, 2006). According to the TFC and CDD, “Changing Board members regularly makes sure that no person or group can have too much power in the society.” (TFC & CDD, 2006, 16) The notion of power came up in interviews with General Managers at the unions. As the General Manager of KNCU noted:

“The Board always needs consent from members. Members have the power; they can remove the Board.” (Interview G2 R21)

However, KDCU’s General Manager stated that the Board may have too much power, as a result of the country’s Co-operative Law:

“We are guided by the Cooperative Act. We want government to review the principles and policies. [We] need to reduce the power of the Board and vest this power to management team. For example, we can't change the price of coffee until the Board approves it. It takes so much time to make decisions.” (Interview G2 R28)

I asked producers about both the primary society and union Boards. I began by asking them if they knew how Board members are chosen, in order to learn more about the selection process and representation (Producer Questionnaire Q25). Of the 68 farmers I interviewed, 54 farmers said that they knew how Board members were chosen, and mentioned either a vote, elections, or the AGM. One farmer outlined the process quite accurately in detail:

“They announce elections. Those who want to compete take the forms and go to the coop. They need at least a primary education and must be able to read and write. Those who are fit can stand for elections, where members make a secret ballot.” (Interview G4 R1)

I then asked farmers if they have confidence in their primary society Board (Producer Questionnaire Q26), to which 52 producers responded yes, three said no, and 13 declined to answer. These answers referred to diverse primary societies. Of those who said yes, responses mentioned trust through elections, auditors, transparency and information sharing. Some comments included:

“Of course, how could I not have confidence in someone I elect?” (Interview G4 R6)

“We make sure we get people who are ethical; we know their parents.”
(Interview G4 R8)

“They have not stolen anything from me.” (Interview G4 R17)

“We choose them so we trust them.” (Interview G4 R25)

“They are transparent; they aren’t squandering money and there are no bad reports about them.” (Interview G4 R31)

“We elect them every three years so we’ll fire them if it’s not good.” (Interview G4 R35)

I went on to ask farmers if they have confidence in the union Board, referring to KNCU, KCU, and KDCU (Producer Questionnaire Q28). Of those asked, 48 said yes, six said no (two at each union, so there were no regional differences), and 14 were unsure. Interestingly, of those who said yes, not a single farmer elaborated on this response, except to say that there were no problems (Interviews G4 R3 & G4 R4). One KNCU farmer who had stated no said:

“They do not care much about the farmers. You can complain at the meeting and they come. But taking action on the complaints of farmers is rare.”
(Interview G4 R1)

Some interesting responses came from those who were unsure, and served as reminders of the distance between the farmers and the union Boards. These answers included:

“I can’t say as it’s not for me to know.” (Interview G4 R12)

“I’m not inside.” (Interview G4 R35)

“I don’t know them.” (Interview G4 R49)

As Board members are elected, rather than appointed as in the case of managers, I looked at the elections process. During the course of this research, I discovered that the

District Co-operative Officers (DCOs) are heavily involved in selecting eligible Board members at the primary society, while the Registrar fulfills the same role for the union. The Board is typically elected every three years, and all members have the right to apply for elections and to vote. There are rigorous procedures in place. Those interested in applying visit the office to complete a form, and the DCO then arranges a meeting with four “influential people”, who might include the DCO, a technical person in the municipal office, a security officer, and someone from the Office for Corruption or a similar Office (Interview G2 R23). Applicants are then graded according to the following criteria: the completion of Standard 7 education (indicating that they know how to read and write), work experience, no prior prosecutions, fully paid shares, meeting attendance, primary society participation, and a minimum of three years as an active member at the primary society. This process is also used for individuals applying to be representatives from the primary society to the union AGM.

I asked the DCO why a Standard 7 education is important, given that this would discriminate against many people, especially women, who may wish to run for the Board or act as a representative but did not have the opportunity to attend school. He replied that women nowadays have a Standard 7 education (Interview G2 R23). However, this does not account for the fact that most female farmers, when they do have the opportunity to become co-operative members, are from an older generation. Rural women tend to have less education than men, and this is especially true in the case of older women (Smith, 2013). I held individual interviews with 68 producers, and the average age of these farmers was 55 years old. Of these 68 individuals, 53 had a minimum Standard 7 education, indicating that they can read and write according to Tanzania’s school system. Of the 15 individuals who did not have a sufficient education to run for the Board, 11 were female. When I asked these women why they had not continued in school, five of them responded that their parents had died and no one else could afford to send them (Interviews G4 R18, G4 R37, G4 R48, G4 R54 & G4 R59). Additional answers included:

“My father wouldn’t pay anymore.” (Interview G4 R16)

“Because I’m female.” (Interview G4 R34)

“Because I was married at 14 and my father couldn’t pay for everyone.”
(Interview G4 R51)

Clearly, not everyone, particularly women, has access to a Standard 7 education. There are various additional barriers confronting women when it comes to leadership positions, including land ownership, culture, confidence, and household responsibilities, as will be outlined in Chapter 7. Not everyone meets the minimum requirements to be a Board member or a representative to the AGM, and this lack of skills and experience represents another barrier to participation in decision-making. When I asked the DCO if this process results in a certain gender or class of farmer being put forward for elections, he responded that everybody has a right to be elected (Interview G2 R23). However, he also noted:

“You can’t be a leader without Swahili or an education. A representative is a leader. They must be able to read and write.” (Interview G2 R23)

A lack of communication may pose another problem for these processes. It was quite clear from producer interviews that some people had no idea how they might run for leadership. As one female farmer in Kilimanjaro stated,

“I want to be on the Board. But I don’t know how forms are taken; we just see names on a board.” (Interview G4 R27)

I further explore the possibility of gender inequity in Boards, and the potential for capacity building to change this, in Chapter 7.

5.5.3 External Power – The State

While studies on co-operatives in the global North often begin with the assumption that the government has not played an interventionist role, the same cannot be said of co-operatives in the developing world (Shaw, 2006a). The experience of the latter has differed greatly, and Shaw (2006a) claims that a discussion of governance issues necessitates a consideration of the legitimacy of State control and intervention into the co-operative sector. This legacy, as seen at many of the African continent’s co-operatives, stems from a colonial history of heavy government intervention, outlined earlier in Chapter 3. As noted by the International Labour Office (2001, 11), “The developing world experienced several decades of working with State-sponsored and State controlled co-operatives – which had been introduced by the colonial powers as development tools and subsequently used by governments of the independent states for similar purposes.” For example, during Nyerere’s villagization efforts, some of KNCU’s assets were expropriated by the State and never recovered in full. This

indicates a potential blurring of the lines between government and co-operatives. At KCU it was also clear that the State is still highly involved in the union's operations today; as the General Manager explained:

“Before we were separate from the State, we were independent, it was better. We were not relocated [during villagization] much in Bukoba but we lost our assets, and the nature of the coop changed. After it was never the same, still tied to government. Today we are still connected to the Commissioner (Regional and District) and the government.” (Interview G2 R26)

Pollet (2009), in his research on nine African countries and their respective co-operative movements, notes that the continent's governments have typically supported co-operatives, which he claims is reflected in updated legislation and well-functioning cooperative departments. His following statement highlights this dichotomy: “The regulating policy may be felt as meddlesome by certain cooperative movements, while in other cases, the government is trying to restore the movement institutions. The line between supporting and controlling may remain a subject of controversy [...]” (Pollet, 2009, 27) This offers insight into some of my findings at Tanzanian co-operatives, as while some respondents were highly critical of the government's involvement in the country's coffee co-operatives, others spoke positively about the role of the Tanzanian government. One academic I interviewed noted:

“We need a government that is talking progressively about co-ops. Co-ops are about power relations. They are about issues of voice and freedom. How far should we manage co-ops in this country and how free should they be?” (Interview G2 R20)

Overall, I discovered heavy government intervention at Tanzanian co-ops - in stark contrast to the assertions seen in the government's modern-day policy documents (TFC & CDD, 2006, The United Republic of Tanzania, 2005). While the Tanzanian government claims to be facilitating independence and autonomy for the country's co-operatives, in line with its ambitions to adhere to the ICA principles (TFC & CDD, 2006, The United Republic of Tanzania, 2005), this is not the case in practice. The State remains heavily involved in the sector, in particular through the Registrar and the DCOs. One academic I interviewed stated that through his research he found that the Co-operative Act has 14 areas of contention that do not allow freedom for co-operatives (Interview G2 R20). As Chambo asserts (2006, 5), “[T]he government is talking about member empowerment without giving the members the ability and authority to control

themselves. The members do not have power to practise control of their own co-operative economy.”

This does not necessarily imply, however, that there is no role for the government to play. I spoke with two union managers who felt that government regulation was essential:

“To me the laws and rules are good. They should be there in order to check.”
(Interview G2 R14)

“Co-ops can't run themselves without an eye from the government. If there's a problem with the co-ops, this can shake the State because of all the money and the people involved. The State has to be involved. People are not yet very competent at running things on their own. We need somebody to tell us how to do things; that's why we have co-operative laws. There's a policy that the government should distance itself from co-operatives, but practically it does not.” (Interview G2 R26)

I had the opportunity to interview two DCOs, one in Moshi and one in Bukoba, as well as a DALDO and a DCSMS in Moshi. The Bukoba DCO told me that his position is longstanding, although the number of DCOs has been greatly reduced in recent years, indicating that there may be less support for this role (Interview G2 R23). The Moshi DCO explained that her job involves supervising all co-operative activities including registering new co-operatives, attending meetings, overseeing day-to-day activities, and auditing the financials, as well as educating members, the Board, and employees (Interview G2 R33). She also noted that DCO inspections should be quarterly at each primary society, but that at the time there were not enough field officers and financial resources were lacking; as a result, visits were taking place annually (Interview G2 R33). When I asked her why she felt this level of government involvement, including her role in selecting Board applicants, was necessary she responded:

“This is necessary because the primary co-operative society wouldn't operate properly without us. There is no wide education amongst members, the Board and employees in terms of how to run the co-operative. The members of co-operative societies are just farmers; they don't have the capacity to run the co-operative. Members need education. In the past employees might misuse funds or not be honest. The Board might also misuse funds. [...] We're there to advise them to do everything according to the law because the farmers don't know the law.” (Interview G2 R33)

There is clearly a distinct lack of trust in the primary co-operatives, on the part of the DCO - once again raising this theme of ‘trust’. Interestingly, despite, or perhaps because

of, this strong government role in leadership elections, there remains corruption. Political corruption typically refers to the use of public office for private gains, although empirical data on corruption can be limited and difficult to collect (Bardhan, 1997). As an example of corruption within the government, when I asked the Moshi DCO if their screening processes are working, she responded in the negative and stated that bribes are taken (Interview G2 R33). I also heard stories of corruption at the primary society level, which these DCOs would have been tasked with addressing. At Mwika North East PCS, one of KNCU's primary societies, the Chairman was accused of squandering money and the Board was replaced in September 2012 (Interviews G2 R7 & G2 R33), in accordance with Part IX of the Tanzanian Co-operative Law (The United Republic of Tanzania, 2003). A KNCU manager also told me that the union had recently sued an unnamed primary society for misusing the funds collected for coffee sales (Interview G2 R7). The Moshi DCO, who is responsible for dealing with these situations, provided various other examples of recent problems at KNCU primary societies: Mwika Kinyamvuo removed the Board and Secretary Manager for misusing funds, while Uru North Msuni, Uru North proper, and Old Moshi had recently fired the Secretary Manager for misuse of funds (Interview G2 R33). Although the role of the DCO may impede the co-operative principles of independence and autonomy, as I outlined earlier, this individual can also be instrumental in addressing issues of poor governance at the primary society level. As such, there may indeed be an important role for this individual to play as regulator. However, there is a large difference between regulation and intervention. While the DCO may play a useful role in addressing organizational disputes, this individual's role in selecting Board members is a possible indication of paternalism and continued parastatalism.

Table 14 outlines the major similarities and difference across the three unions, as described in the previous sections. Overall, KNCU may be considered the most problematic of the three unions, due to management turnover, a disconnect between the primary and secondary societies, the manner in which the Fairtrade premiums are distributed, and the scaling back of technical support for farmers. For this reason, the breakaway groups present an attractive alternative to farmers in Kilimanjaro who may benefit from independent primary societies that exist separately from the union. While I expected to discover a similar situation in the western region of Tanzania, the same cannot be said for KCU and KDCU. Although these unions have their own issues with poor governance, delayed payments, and competition, the primary societies at both

unions rely strongly on these unions for marketing and transport in their remote regions of dense competition, and might not have the same opportunities to succeed as independent entities as KNCU's primary societies do. In addition, Fairtrade premiums are allocated to primary societies. This may therefore indicate improved opportunities for farmers to have a voice in decision-making and it appears as though KCU & KDCU's farmers might benefit more from the union than they would without it.

Table 14: Findings on Fung & Wright’s Procedural Elements

EPG Model	Element	KNCU	KCU	KDCU
General Principles	Bottom-up Participation	High	High	High
	Deliberation	- Processes in place (meetings) - Lack of communication between primary and union - Low knowledge of Fairtrade - Low knowledge of premiums and social projects	- Processes in place (meetings) - Lack of communication between primary and union - Moderate knowledge of Fairtrade (due to premium usage) - High knowledge of premiums and social projects	- Processes in place (meetings) - Lack of communication between primary and union - Moderate knowledge of Fairtrade (due to premium usage) - High knowledge of premiums and social projects
Design Properties	Devolution	- Premiums centralized at union level	- Premiums devolved to PCS	- Premiums devolved to PCS
	Centralized Co-ordination	- High	- Somewhat decentralized	- Somewhat decentralized
Enabling Conditions – Power Relations	Internal: Management (turnover, size, trust)	- High turnover - Large size	- Low trust - Large size	- Low trust - Large size
	Internal: Board	- High trust at primary level - Low trust between primary and union - High government involvement in elections	- High trust at primary level - Low trust between primary and union - High government involvement in elections	- High trust at primary level - Low trust between primary and union - High government involvement in elections
	External: State	- Heavy government intervention	- Heavy government intervention	- Heavy government intervention

5.6 Regional and International Governance

As Prevezer (2013) notes, a consideration of how FLO’s governance structures operate is a topic that must be included in any research framework on governance. In this

section I shift away from the producer organization level to explore governance at the international level of FLO and its regional networks. With regards to deliberation in Fairtrade, the system requires that individuals at various levels of Fairtrade's formalized governance structures engage in democratic decision-making. This is seen in the regular events that FLO and Fairtrade Africa organize, such as annual meetings, regional meetings, and product network meetings (for coffee, cocoa, and tea) whereby representatives come together to address specific problems, vote, and develop solutions. An understanding of decision-making at a regional and international level is essential to this discussion of democratic member control, as this sheds light on how producers participate in decision-making at Fairtrade's various levels.

Decision-making at FLO tends to be around high-level strategy and policy issues, such as Fairtrade standards, new products, price increases, or the inclusion of hired labour and plantations. In the past there was a lack of democratic participation in FLO governance (VanderHoff Boersma, 2002) and today critics continue to question how truly democratic and inclusive the system is (Bacon, 2010, VanderHoff Boersma, 2009). As seen in Chapter 2, the institutional structures appear to be in place at FLO to facilitate participation, deliberation, devolution, and centralized co-ordination - elements that Fung and Wright (2003) define as key to collaborative governance, and there is reason to be optimistic about recent changes to governance. However, this does not rule out problems of substantive participation in high-level decision-making. As I outlined in Chapter 2, FLO has engaged in changes to its governance systems in recent years, including 50 per cent producer ownership on the General Assembly, more producers on the Board, regional producer networks, and field Liaison Officers (LOs). According to a Fairtrade key informant,

“Producers knew they needed to sort out the governance problem first as they were not formally part of the decision-making process. [...] There was a lot of dissatisfaction coming to a head.” (Interview G1 R1)

However, formal governance changes may not result in shifts in terms of how decisions are made (Bennett, 2013). As an ex-member of the FLO Board stated:

“Fairtrade needs to walk the walk on empowerment and not just talk the talk. [...] If you look at Fairtrade now, it still looks like something that people in the North do to people in the South. [...] What we're lacking is a real dialogue for all stakeholders in the system to be thinking about how we really engage producers.” (Interview G1 R1)

FLO defines its three producer networks in Africa, Asia, and Latin America and the Caribbean as “associations which Fairtrade Certified Producer Organizations may join if they so wish and which are recognized by FLO as the representative body of farmers, workers and others belonging to Fairtrade Certified Producer Organizations.” (Fairtrade International, 2007, 6) According to the Fairtrade Foundation’s Director of Producer Partnerships:

“Governance is about giving people options, and having people’s voices heard. This filters from the individual to the co-operative, from the co-operative to the country, and then regionally through producer networks. Then producer networks provide a very powerful mechanism through which they can engage with the co-operative sector.” (Interview G1 R10)

According to the FLO constitution, the three producer networks must make themselves available to all certified producers (Interview G1 R1). One interesting question relates to who participates in meetings at the producer networks. I had the opportunity to attend the Fairtrade Africa meeting in Accra, Ghana in November 2011 as a non-participant (Author’s observations). I spoke with one female manager who told me she comes to these meetings to make contacts (Interview G2 R15), indicating that these opportunities are available only to those who are chosen to attend such events. She also commented on the lack of Africans on the panels, stating that it was necessary to hear more from Africans (Interview G2 R15). As an observer, I noted that meetings were indeed dominated by western delegates and the individuals I met at the conference tended to be high-level representatives (Author’s observations). A vanilla producer from Madagascar whom I interviewed confirmed this by stating:

“The people here (at the conference) are technicians, not producers. Most organizations can only afford to send one person, so the leaders go. There’s a lot of nepotism.” (Interview G1 R8)

I interviewed an ex-member of the FLO Board about the producer networks, who claimed:

“These networks are about giving producers a voice – not just in governance but in other sorts of decision-making. Governance isn’t just a vote or a seat on the Board. There are many other processes as we can’t have everyone on the General Assembly.” (Interview G1 R1)

However, during interviews not everyone agreed that these networks are succeeding at giving producer a voice in decision-making. Several managers I interviewed at KNCU and KCU were quite critical of the evolution of Fairtrade Africa from the original African Fairtrade Network (AFN). An ex-General Manager of KNCU noted that Fairtrade Africa had changed since its days as the AFN prior to 2005, stating that members participated fully when the AFN first began, but that recent years had seen a lack of participation and information-sharing (Interview G2 R6). The General Manager of KCU similarly mentioned a change, claiming that there were problems with the group (Interview G2 R26). A key informant at Fairtrade Africa noted that the network had yet to engage in monitoring and evaluation of its work, stating:

“We had no idea if we're really representing the voices of the producers and how effective the producer network is.” (Interview G1 R15)

It may be that Fairtrade Africa has not evolved to adequately meet the needs of its members. I interviewed the Head of the African Producer Support and Relations Unit (PSR) and asked him why Fairtrade only works at the union level. He responded that it is because “this is where certification happens.” (Interview G1 R16) I asked him about the lack of a Liaison Officer (LO) in Tanzania, and he explained that the number of LOs is based on the number of organizations, rather than the number of producers (Interview G1 R16), which I identify as a potential problem given the number of producers in Tanzania. He also told me that the PSR is monitored by FLO to ensure that at least 60 per cent of its activities relate to certification, meaning that the majority of its work is focused on certification rather than capacity building such as training (Interview G1 R16).

In July 2012, Fairtrade Africa began a process of merging with the PSR into what Fairtrade Africa refers to as a “strong, efficient producer-facing support unit.” (Fairtrade Africa, 2011a) I interviewed FTA’s Director of Programmes who explained that FTA and the PSR are working both strategically and operationally together, and that this initiative will be referred to as Team Africa (Interview G1 R13). According to him, they will share one budget and point of accountability, and joint deliverables will reduce the duplication of costs. He claimed that this would make them more accountable to the Fairtrade movement and facilitate increased information exchange, claiming that farmers want more homogeneous service delivery. He also noted that this would

facilitate “stronger voices by bringing everyone together.” (Interview G1 R13)

From these discussions of Fairtrade at a regional and international level, it sounds as though there is an intention for Fairtrade to become further devolved. However, there are also obstacles that may serve to keep power and decision-making centralized within the upper echelons of these formalized structures.

5.7 Conclusion

In this chapter I have presented the findings as they fit Fung and Wright’s EPG framework. At the level of the primary society, I discover that bottom-up participation is high and that producers appear to have the opportunity to speak at meetings. Despite this, decision-making processes may not be akin to deliberation. Overall I identify challenges related to communications, inadequate knowledge, limited decentralization, and challenges of management and leadership, which all have the potential to lead to an overall lack of voice in decision-making. There is a strong possibility for power imbalances to exist, and in a discussion of power relations, I find that managers and leaders may take advantage of their positions. Also, despite recent reforms and the apparent resilience of the model in Tanzania, the country’s co-operative sector may not have evolved much from a previous era of high government intervention; there are policy-related challenges to producer participation in decision-making, such as high government involvement in Board selection.

Overall, producers knew very little about Fairtrade, and therefore little about Fairtrade premiums. Fairtrade premium allocations demonstrate regional variation in decision-making, and I conclude that there is more producer involvement at KCU and KDCU than KNCU, due to the fact that decision-making is highly centralized and less devolved at KNCU. I suggest that this is linked to lower barriers to participation at KCU and KDCU, such as better information sharing, more decentralization, and stronger management and leadership. Despite FLO’s assertions of producer participation and empowerment, through this examination of governance at the union, Fairtrade Africa and FLO, it is evident that there remain barriers to producer voice in decision-making.

6.1 Introduction

In this chapter I explore the options that are available to individuals and their organizations when they perceive barriers to participation in decision-making, as outlined in Chapter 5, to be insurmountable. Should these obstacles, such as heavy State involvement or poor management, be present, individuals and groups may choose to seek alternatives to participation. The main option that is available to those who do not feel as though they have a voice is exit, and here I consider group both exit from the secondary co-operative union (as in the case of the breakaway groups) and individual exit from the primary society in the form of selling to private buyers.

I begin with an introduction to Hirschman's (1970) conceptualization of exit, voice, and loyalty, which is well suited to the co-operative model. I then consider the departure of the breakaway groups from KNCU, comprising both Mamsera and the G32 primary societies, as examples of exit and potential countervailing powers in the EPG model (Fung and Wright, 2003). The G32 exit from KNCU illustrates what can happen when individuals are taught to demand information from those in power. In this case, producers first sought a voice for their concerns, but eventually chose exit when they found that their voices were not being heard. In order to frame this discussion, I map Hirschman's (1970) conceptualization of exit, voice, and loyalty onto the EPG framework employed in this research, and incorporate the findings.

I move on to explore Tanzania's post-liberalization environment, positing individual sales to buyers as a potential form of exit. As sales to private buyers often depend on the coffee payment to farmers (i.e. a farmer might have more of an incentive to exit if the co-operative pays a low price), it is also relevant here to question whether or not the Fairtrade price is financially benefitting farmers belonging to Tanzania's coffee unions. Clearly, these unions stand to lose if producers have no incentive to stay on as members and choose to exit instead.

6.2 Group Exit: The Breakaway Groups as Countervailing Power

In Chapter 2 I introduced the notion of countervailing power and framed Hirschman's work on exit, voice, and loyalty as a means of understanding how underrepresented individuals may mobilize. Within the co-operative model both voice and exit are tools available to individuals who wish to express their dissatisfaction. While voice is aimed at reform from within, exit leads to withdrawal from the organization (Saltman and von Offer, 1989). Up to this point I have focused on voice and how governance determines whether or not individuals have the opportunity to have a voice in decision-making. As was seen in Chapter 5, this may be occurring somewhat effectively (although not perfectly, as in the case of the delayed payment) at KCU and KDCU. In contrast, I observed dissatisfaction with regards to achieving this voice among many individuals belonging to KNCU, and I explore a decision by some of them to exit the union as a means of understanding what can happen when voice is not achieved.

As previously mentioned in Chapter 2, Fung and Wright (2003, 260) claim that EPG is only possible with the presence of a countervailing power, which they define as "the too-simple concept that describes how powerful actors with privileged access to decision-making venues may be challenged and even defeated from time to time by the weak and less organized." Hirschman (1970) raises a point that is relevant to this paper's consideration of countervailing power, as he notes that achieving voice requires the use of creative new approaches. According to him, "[I]n the choice between voice and exit, voice will often lose out, not necessarily because it would be less effective than exit, but because its effectiveness depends on the *discovery of new ways of exerting influence and pressure toward recovery.*" (Hirschman, 1970, 80) Perhaps then, it is the presence of countervailing power through creative influence that strengthens the possibility of individuals choosing voice over exit.

When individuals, such as KNCU's farmers, perceive a decrease in quality or benefit, they may choose to leave their organizations. The greater the availability of exit to these individuals, the less likely it is that they will choose to use voice. There are, however, reasons why individuals may not choose to exit in the end. Firstly, the threat of exit can strengthen the effectiveness of voice, as a great deal depends on whether or not these voices are listened to. The facilitation of voice via collaborative governance may be one reason why they instead stay. In Figure 2, I mapped Hirschman's notions onto the EPG

model, indicating that if collaborative governance is facilitated by EPG, producers may have a higher likelihood of choosing voice. In contrast, if EPG is not met, I anticipate a higher chance that these individuals will choose to exit. Secondly, loyalty, conceptualized here as a commitment to stay with the organization whether or not it changes (Saltman and von Ofter, 1989, Stryjan, 1987), can also prevent exit. Members might choose to stay with the organization even if it does not deliver the expected results, particularly in terms of economic benefits (Jussila et al., 2012).

During the field research I discovered that 32 primary societies, known as the G32, exited KNCU in 2003 as a result of their frustration with the union. I was fortunate to have a flexible methodological approach and the time to pursue new areas of interest during the fieldwork; I conducted interviews with individuals at four primary societies that departed from KNCU in 2003 and met with the General Manager of the G32 on multiple occasions. The G32, introduced in Chapter 4, exists today as a joint venture of primary societies who all left KNCU together. This group provides an example of both voice and exit; the members of this group first sought a voice but chose exit when management did not listen. This demonstrates how voice alone is not enough; members must perceive that they have changed something through the use of voice (Simmons and Birchall, 2004). This is in accordance with Hirschman's assertion that "the decision whether to exit will often be taken *in the light of the prospects for the effective use of voice.*" (Hirschman, 1970, 37) In contrast to Hirschman's predictions, it does not appear as though the G32's credible threat of exit improved the effectiveness of its voice, as management refused to listen and the group eventually departed KNCU. It is unclear whether or not loyalty played a role in the G32's decision to leave, although one can imagine that these primary societies may have left years ago were it not for a feeling of loyalty towards the union. Loyalty may have therefore raised the barrier to exit, as envisioned by Hirschman (1970).

I conducted interviews to learn more about this exit process and found that the G32 does indeed appear to be a countervailing power to KNCU and creates competition for the union. Of interest is also the fact that a second countervailing power emerged *within* the G32: Mamsera. This group left KNCU with the G32 in 2003, but one year later chose to exit from the G32, becoming an independent primary society. I outline both stories and related findings here.

6.2.1 The G32: Countervailing Power to KNCU

The story of the G32 goes back to the 1990s and the establishment of the membership empowerment initiative known as MEMCOOP, earlier described in Chapter 3. Through its capacity building efforts, MEMCOOP taught individual producers their rights as co-operative members, including how to ask important questions of the union, such as those relating to KNCU's operational costs, the budget, transport, and access to credit (Interview G2 R20). For example, the MEMCOOP program encouraged KNCU's farmers to cost out the price of coffee transport and these producers discovered that they could save money using private transporters, which KNCU would not allow (Interview G2 R20). Primary societies also began to access loans on their own, whereas prior to this the union asked the bank for loans on behalf of the primaries and individual primary societies were not allowed to access new loans. Through MEMCOOP the farmers learned that this could change. The General Manager of the G32, who had previously worked as KNCU's Export Manager for ten years and coordinated the G32 exit, explained to me that the purpose of exiting was to offer farmers an alternative. He noted:

“One of the reasons for forming the G32 was to change things. When I was at KNCU I wanted a change in the system. My thinking was that the primary societies now have manpower and don't need the union. For example, transport. I said, ‘You don't need to send a lorry to the society; let the society bring their coffee so that they minimize the cost of transport.’” (Interview G2 R17)

Over time, and armed with this new knowledge, these primary societies became highly frustrated with the union. Mmari (2012) outlines that the impetus for the G32 departure included KNCU's failure to provide advance payments for coffee crop procurement, high union coordination costs, and widespread maladministration. Eventually, a tipping point was reached. At a 2003 union AGM, several primary societies expressed dissatisfaction with the budget that was shared and called for the union Board of Directors to create a new one (Interview G2 R20). KNCU's Board agreed to rework the budget in response to producer demands, but postponed for three months before moving ahead with a budget that had not been approved by membership. It was at this point that the G32 decided to separate, clearly frustrated that their voices had not been heard. I interviewed an academic who was present in this meeting and described his reaction to this:

“Inside I was clapping my hands. When they did exit, they were called rebels. When the G32 left the union used threats. ‘If you go, you are not going to get

this and that.’ But actually, the primaries that remained with the union were the weak ones in relative terms. [...] One argument that has been coming up is: ‘G32 is a process of killing the cooperative movement.’ But for me cooperation comes from the members and not from the structure. (Interview G2 R20)

When these primary societies left the union to join the G32, they maintained their co-operative structures. The General Manager explained that co-operative structures have endured in the Kilimanjaro region because of the country’s history, describing how people typically group themselves together in his culture, whether it is to grow coffee, build schools, or dig irrigation tunnels (Interview G2 R17). It is important to note here that, while the G32 primary societies no longer belong to KNCU for coffee marketing purposes, they are still members of the union, attend meetings, and can vote. However, they do not utilize KNCU for marketing and transport services and sell their coffee independently at the auction (Interview G2 R19). Initially there was resistance to the G32 despite, or perhaps because of, the fact that this group has the potential to be a strong countervailing power. This is seen in the following quote from an academic, referencing the potential for the union to learn from the G32:

“At the beginning [the G32 members] were not respected. I told the manager of KNCU: ‘If I were you I would visit them and learn from them. Because maybe that would bring some kind of evolution and new thinking on how the union should be operating.’ But they didn’t do it; doing that would be insubordination and they wouldn’t like to do that with small people. [...] The union considers itself the boss and treats primaries as branches. But they forget that they were formed by primaries.” (Interview G2 R20)

This quote’s reference to ‘small people’, insubordination, and the union as the boss provides further evidence of some of the governance challenges I discover. In Chapter 5 I outlined problems of internal and external governance, finding that poor management and leadership can be highly detrimental to achieving a voice in decision-making. In the scenario depicted above it is clear that the G32 members did not feel as though their voices were being heard at the union level. While the producers first chose voice, they did not find that they were listened to when they expressed themselves. Clearly, therefore, a great deal depends on how management and the Board respond when individuals assert their voice.

So have things improved for the G32 since its departure? The G32 claims that farmers now receive a better price for their coffee than they would through the union (Interviews G2 R17 & G3 R7). A Board member at primary society Lukani/Losaa told

me that many farmers were about to quit ten years ago but stayed because the price improved with the G32 (Interview G3 R6). Other changes within the G32 primary societies since leaving KNCU relate to access to credit and processing. According to the G32 General Manager, should primary societies need to borrow money to pay farmers, farmers borrow through the bank and become responsible for the administration of that money, rather than relying on the union (Interview G2 R17). The G32 General Manager claimed that farmers have been trained on how to prepare and approach the bank and are all considered credit-worthy (Interview G2 R17). He also emphasized quality improvement, explaining that once a primary society attains a high standard it appears in the auction under its own name rather than the G32's (Interview G2 R17). In addition, I discovered an ongoing commitment to capacity building, through training and technical assistance, for G32 producers. The General Manager of the G32 explained:

“We just provide technical advice, not take power. We need to train them for transparency, so at the grassroots level they can ask and answer questions. They don't need us to answer on their behalf.” (Interview G2 R17)

The role of central pulping units (CPUs) in ensuring high quality came up during interviews as an example of capacity building. The G32 has installed CPUs in three of its primary societies, including Lukani/Losaa, one of the primary societies that I visited. A Board member at the Lukani/Losaa primary society stated that the CPU is better because it minimizes the work required to process coffee (Interview G3 R6). At the time of research, the G32 was starting a health insurance project modeled after KNCU's and had recently worked with NGOs including Café Africa, Hivos, and EnviroCare to provide capacity building support as well as programs for women and children. Overall, the General Manager claimed that the group's success could be attributed to training, such as this example of value chain knowledge:

“We calculate that the system is working because now we have trained all our members to know how to trace their coffee from the society up to the auction level. They know the documentation and documents from Coffee Board and can trace when and where their coffee was sold.” (Interview G2 R17)

I do not intend to imply that the G32 primary societies are free of problems. Overall, producer responses did not differ greatly from those of KNCU members, aside from the mention of a slightly higher price for coffee within the G32, and G32 farmers face many of the same challenges relating to inputs, prices they deem too low, and problems with

pests attacking coffee plants. Members of management at Mamsera draw parallels between KNCU and the G32 with regards to the issues that both umbrella groups face (Interviews G3 R2 & G3 R3). There were also stories of poor governance at one of the two G32 primary societies that I visited: the Secretary Manager of the Keryo primary society told me that the person in the post prior to him stole money, so they chose him to be Secretary even though he is over-qualified as an agronomist (Interview G3 R5). Also, one of the Board members I spoke with had been on the Board for over nine years, which exceeds the amount of time allowed under the Tanzanian Co-operative Law. When I asked about this, I was told that they would soon have elections (Interview G3 R5). Separating from the union does not necessarily lead to perfect primary societies, but it does appear to allow for a process of change to begin.

I also discovered some support for the G32 at KNCU, which could make the G32 more effective as a countervailing power. One manager stated during an interview that the independence of primary societies could make sense, with some caveats. He felt that it was good for some societies to be independent if they were strong, referencing Mamsera, while it might be more challenging for others (Interview G2 R9). While this comment hints at skepticism over the breakaway groups, it also posits this type of resistance as a potential positive force. This discussion raises the question of how the G32 may act as a countervailing power for KNCU's remaining primary societies, as the G32 groups are technically still members of the union. These breakaway groups could therefore provide a countervailing power that may encourage other primary societies to seek a voice. The Secretary-Manager of the Keryo primary society, for example, claimed that his co-operative had become a big challenge to KNCU (Interview G3 R5). One academic felt that the G32 had opened a Pandora's box (Interview G2 R20), while another academic described the G32 in a manner that positions it as a potential countervailing power to KNCU:

“If the G32 is stronger than KNCU, they may shift into the KNCU and change the whole thing. It could be a revolution. [...] People are informed at the G32, they'll talk to you. But if you go into KNCU you won't learn anything.”
(Interview G2 R19)

The General Manager of the G32 felt that the exit of the G32 may have had positive consequences for the primary societies that stayed with KNCU. He explained:

“Some KNCU members are happy for the G32 because it creates a challenge; if

you don't offer good services they will go to G32; if G32 is not good they will go to KNCU; if KNCU is not good they will go to a private buyer. So we've given 3 windows or 3 alternative markets: private buyer, KNCU, or G32.” (Interview G2 R17)

At KNCU's primary societies that do not belong to the G32, I found that these groups had no plans to leave and, in general, expressed loyalty towards the union. As I outlined in Chapter 5, the majority of farmers (42 farmers of 68 interviews) stated that they had confidence in the union management (Producer Questionnaire Q27), while 48 farmers of 68 interviewed claimed that they had confidence in their union's Board (Producer Questionnaire Q28). Beyond feelings of loyalty, this resistance to change could also be due to a lack of capacity building for these producers, as KNCU's primary societies do not provide much in the way of training and capacity building (which I further address in Chapter 7). In contrast, MEMCOOP's capacity building efforts clearly played a large role in the original G32 departure. This may also be one explanation for the lack of breakaway groups at KCU and KDCU. These primary societies were not part of the MEMCOOP program, and have had limited access to capacity building opportunities.

6.2.2 Mamsera

Mamsera Rural Primary Co-operative Society is the second breakaway group that I explore. Mamsera originally exited KNCU as a member of the G32, but one year later separated to become completely independent. I asked members of a Mamsera producer focus group about the departure from KNCU and was told that they separated with the G32 because KNCU was unfair and sold assets, including buildings and cattle, without their permission (Focus Group 4). According to the Deputy Secretary Manager of Mamsera, KNCU's operational expenses were very high and the farmers were paid little for their coffee (Interview G3 R2). He felt strongly, however, that KNCU had missed an opportunity to learn from the departure of these breakaway groups, and made strong claims about the union's reaction:

“KNCU made a very big mistake because when we stepped aside they did not want to find out why. Instead they declared war with Mamsera. They told the government that we were getting money from illegal sources. Auditors came and we proved we're doing business legally. Now we're doing better than KNCU and everyone asks them why they're not more like us. [...] Slowly KNCU is moving towards its grave.” (Interview G3 R2)

Interestingly, Mamsera then separated from the G32 a year after leaving KNCU. The Secretary Manager of Mamsera explained this departure in an interview:

“We stayed in the G32 for a year, but then we realized it was no different from KNCU. We knew we could go to the auction ourselves, so why use a middleman? There were problems with [the G32] delaying information and the operational costs were high. These were different problems than KNCU, but it is better to be independent.” (Interview G3 R3)

Mamsera’s Secretary-Manager explained to me what happened when this group became completely independent:

“In 2004 we started marketing our own coffee. KNCU went to the Registrar of Cooperative Societies and complained about us. They told them lies. The Registrar said to them: ‘This is the era of the free market. You can’t hold people down.’” (Interview G3 R3)

Mamsera is located in Rombo, a region that suffers from water shortages. Despite this, this primary society is doing better than any of the others belonging to the large union – an achievement that one academic attributed to good governance (Interview G2 R11). As outlined in Chapter 4, Danda and Bamanyisa (2011) find that Mamsera is a vibrant primary society that has seen an increase in membership, high membership participation in annual general meetings, higher prices paid to farmers, and an increase in the volume and quality of marketed coffee. This was reflected in my findings, as outlined in Table 15. Unlike most primary societies, Mamsera also pays dividends and had paid a dividend of 200 per cent in 2012.¹⁵

Table 15: Mamsera After the KNCU Departure

Year	Members	Share Capital	Coffee Collection (kg)
2004-2005	1000	5,872,960 TSh	128,650 kg
2011-2012	1800	16,000,000 TSh	308,033 kg

Source: Author’s own, Interview G3 R2

I was interested in learning more about why Mamsera has been so successful, especially when I learned that the Secretary Manager is a woman. While some of KNCU’s other primary societies have female leaders, this remains rare in Tanzania given some of the

¹⁵ A co-operative dividend is a sum paid on the share capital invested in a society (The United Republic of Tanzania, 2003).

attitudes towards women and the fact that coffee is viewed as a crop for men (which I further explore in Chapter 7). In Mamsera's case, this female leader is credited with the co-operative's success. The Deputy Secretary Manager referred to the Secretary Manager of Mamsera as a 'businesswoman' who has connections with many banks, stating that she is able to negotiate good rates (Interview G3 R2). In addition, a KNCU manager attributed the primary society's achievements to the fact that the Secretary Manager of Mamsera is a strong leader. He claimed:

"They've been successful because they've trusted the woman in charge; she has autonomy to make decisions." (Interview G2 R6)

Along with other G32 primary societies, Mamsera was part of the MEMCOOP pilot project; as such, the primary society adopted strong governance structures through these participatory membership empowerment initiatives. One manager claimed that this assisted them in making the decision to market their own coffee and that the members learned about how they could improve their cooperative society (Interview G3 R2). The Secretary Manager also felt that members had learned about the importance of paying shares to the primary society and not selling to private buyers, thereby helping them to maintain loyalty (Interview G3 R3).

Mamsera focus group members reported that approximately 50 per cent of the primary society's members attend meetings, which they claim is many more than when the primary society was part of KNCU, and that topics include the development of the society, farmer inputs, the provision of benefits to farmers, budget and expenditure, and decisions regarding how to use the dividend (Focus Group 4). I asked focus group members to describe the benefits of belonging to Mamsera. They responded that more children attend school, profits are higher, and their living standard has improved (Focus Group 4). Individuals in this group also claimed that more women participate, attributing this to training on equal rights that is leading to a reduction in male dominance. Mamsera supports farmers with credit when necessary, such as during the December/January period when there is no harvest but a great deal of family commitments. Similarly to the G32 primary societies, Mamsera takes its own loans from banks rather than relying on the union. According to the Secretary Manager:

"After the training from MEMCOOP, we learned that we could take loans outside of KNCU. So we did this and focused on coffee quality, while teaching the farmers." (Interview G3 R3)

Mamsera provides interest-free loans to members and one manager explained how this differed from the union:

“We borrow only when necessary, not like KNCU. KNCU is not business-oriented because they borrow from banks and keep it for a long time, and then the interest rate is high. If Mamsera has to borrow we do it when crops are out so we don’t have to keep the money for too long. In two to three years we will be self-sufficient with no loans. KNCU relies completely on loans; we only rely on loans for 10 to 20 per cent.” (Interview G3 R2)

One KNCU manager said that Mamsera’s producers collect high volumes of coffee, and that the organization received a great deal of support from a private exporting company named Taylor Winch (Interview G2 R6). Another key to Mamsera’s success is coffee quality. The Deputy Secretary Manager explained in an interview that Mamsera’s coffee attracts higher prices than KNCU’s in the auction:

“People fight for Mamsera coffee because it’s better quality. KNCU collects from 50 societies and sells under one name. But because our coffee is sold under Mamsera we have to ensure very good quality.” (Interview G3 R2)

Once again, there are still challenges for this primary society, as independence is not a panacea. While Mamsera’s price was indeed higher than KNCU’s at the time of research, 5900 TSh/kilo as opposed to 5000 TSh/kilo, the farmers I spoke with in a focus group still felt that the price needed to be higher to cover production and the cost of fertilizers, with one member stating that it needs to be at least 10,000 TSh/kilo (Focus Group 4).

6.2.3 Leaving Fairtrade

The G32 primary societies and Mamsera all left the Fairtrade system when they departed from KNCU. The Deputy Secretary of Mamsera said that they left because they did not benefit much from Fairtrade, and now pay their farmers a higher price than Fairtrade does (Interview G3 R2). The Secretary Manager of Mamsera echoed this and said that they did not benefit from Fairtrade when they were with KNCU (Interview G3 R3). These comments raise the issue of whether or not the primary societies were actually benefitting from Fairtrade while with the union. Could it be that these primary co-operatives do not stand to gain from belonging to the Fairtrade system?

Despite the fact that they are not part of the Fairtrade system, there were strong examples of social projects and high payments at the breakaway groups. As one academic explained, the breakaway groups are bringing back programs, related to schools and roads, that were lost during the disbandment of co-operatives in Tanzania (Interview G2 R19). Despite no longer belonging to the Fairtrade system, it is possible that these breakaway groups could in fact espouse the Fairtrade standards more than the primary societies belonging to KNCU. According to the Export Manager at KCU:

“The G32 and Mamsera...these groups are more Fairtrade than other groups that are part of Fairtrade. They don't need the Fairtrade system.” (Interview G2 R5)

Interestingly, the G32 expressed an interest in returning to Fairtrade one day. The General Manager said:

“The cost was high so we left the system. But I think we will go back.” (Interview G2 R17)

He claimed that they would have more funding to cover Fairtrade fees due to their success since departing from KNCU (Interview G2 R17). A G32 Board member explained that his primary society, Lukani/Losaa, was no longer part of Fairtrade because of the high costs; however, he thought that they would return to Fairtrade in the future (Interview G3 R7).

In Table 16, I outline some of the similarities and differences between KNCU, the G32 and Mamsera.

Table 16: Comparing KNCU, the G32 and Mamsera

Characteristic	KNCU	G32	Mamsera
Type of organization	Union	Joint venture	Primary society
Members	70,000	20,000	1800
Number of Primary societies	67	22	1
Coffee Price 2012	5000 TSh/kilo (parchment)	5200-5700 TSh/kilo (parchment)	5900 TSh/kilo (parchment)
Fairtrade	Yes	No	No
Organic	11 primaries	3 primaries	No
Board	5 members (0 women)	5 members (1 woman)	9 members (2 women)
Number of female members	4200 (6% of female members)	Unknown	230 (12.7% of members)
Competition (may depend on organic)	Moderate	Moderate	Low (farmers all sell to Mamsera, even those from other primary societies)
Loans	Union level	Primary society level	Primary society level; Mamsera also provides interest-free loans to farmers
Transport	Provided by union	Local transport	Local transport

Source: Author's own

Although further research is required, these findings seem to imply that for multiple reasons, potentially including high coffee quality, decentralization, a departure from Fairtrade, more female members, and local-level access to transport and loans, the G32 and Mamsera may be viewed as better and more inclusive organizations without the union as they pay farmers a higher price, have more social projects, and demonstrate higher gender equality. But just what is a 'better' organization? Here I am interested in voice in decision-making and claim that a stronger organization is one where members have a voice. From these stories it is clear that the G32 members achieved more of a voice when they left KNCU, and that the Mamsera members achieved more of a voice when they left the G32. This seems to indicate that the primary society may be a more

effective model in some cases and indicates that, at least in the case of KNCU, there may no longer be an essential role for the union to play. I explore this further in the following section.

6.2.4 The Future of the Primaries

Given this history of breakaway groups in Kilimanjaro, in this section I consider the future of the primary societies and the challenge that they might pose to the union. I interviewed one academic who highlighted trends in the co-operative movement, indicating a potential shift towards the primary co-operative society:

“The existence of unions will very much depend on 2 things: (1) if they are run at minimum costs and (2) if they are offering relevant services to the primaries. But at most co-operative unions this is not the case. [...] The primary is becoming the co-operative institution because it is directly responsive to members and it is a forum whereby members can contribute, can discuss, and can also participate in decision-making.” (Interview G2 R20)

Another MUCCoBS academic explained how he feels the co-operative model should evolve to focus on the primary:

“The primary society needs to be the future. Primaries should be left to sell anywhere, and [the union] should only coordinate the process. If there’s more action and more democracy at the primary level, it will reflect itself at the union and therefore the union will definitely change.” (Interview G2 R20)

When the 1991 *Cooperative Societies Act* was first introduced, which made co-operatives autonomous from government, it aimed to make co-operatives member-based institutions. Chambo (2009, 11) asserts that member-driven agricultural co-operatives are the “ultimate goal of co-operative development in Africa.” As one academic I interviewed stated:

“Co-operatives lost orientation because of government intervention. We found that co-ops had to be member-based to succeed.” (Interview G2 R19)

But just what is a member-based organization and how might one be achieved? This academic, who is also an expert in the Tanzanian co-operative sector, outlined his criteria for a member-based organization during an interview (Interview G2 R19): members apply and get accepted; members buy shares and pay fees; members participate in income generation; members are responsible for leading the organization; and members participate in management, meetings, and decision-making. On paper,

these are all elements of the co-operative model. However, this fifth and final point is of particular interest to this consideration of collaborative governance and addresses my primary research question: to what extent do members truly participate in meetings, decision-making, and, potentially, management? And could it be that this is happening at the primary but not the secondary level?

Bibby (2006, 10) states: “Good corporate governance goes hand-in-hand with effective member empowerment and healthy internal democracy. Moves to strengthen members’ role in their own cooperatives also [strengthen] the coop’s leadership and management.” I interviewed an academic member of a government-led team working to strengthen and rejuvenate co-operatives, who stated the following in an explanation of why he felt the co-operative model had survived in Tanzania:

“People want co-operatives. Co-operative organizations can die but the co-operative spirit still exists among the people.” (Interview G2 R19)

This was echoed in producer interviews. When I asked farmers why they joined the co-operative (Producer Questionnaire Q16), answers that referred to this co-operative spirit included:

“If we come together, we can solve all the problems of the members.” (Interview G4 R3)

“The society is protecting the farmers. It is giving one voice to the farmers.” (Interview G4 R22)

“Coops take care of us, like a loan to send our children to school.” (Interview G4 R68)

“When there’s a problem the society can help out.” (Interview G4 R24)

It is interesting to observe that none of these answers refer to the union. It is also important to note here that, as outlined in Table 17, many farmers said they were members of the co-operative for specific reasons that were not at all related to this notion of co-operative spirit (Producer Questionnaire Q16).

Table 17: Incentives for Joining Primary Society

Response	Frequency
Father/husband gave me land and membership after dying	18
It's the only way to sell coffee	13
Co-operative values, like "coming together"	11
A good/stable price	8
To get free inputs	3
Social projects	2
To get health insurance	1

Chambo (2009, 11) recognizes that it might take time to cultivate truly member-based co-operatives, observing: "Africa's agricultural co-operatives are still at the drawing board. More design work needs to be done with the participation of members to arrive at an appropriate size of agricultural co-operatives which can respond to the needs of members." He asserts that this requires (1) an effort on the part of government to adapt the policy agenda and reduce its involvement in co-operatives, (2) member education for empowerment and entrepreneurship, and (3) a new generation of co-operatives attracting new leadership and management (Chambo, 2009).

Overall, it is difficult to make blanket statements about whether the unions facilitate or impede the emergence of member-based co-operatives. However, it is clear from the story of the G32 that independent primaries can successfully foster participation and deliberation, and may in fact be more effective in the Kilimanjaro region. This example is, of course, restricted to KNCU's farmers and I did not find examples of other breakaway groups. While KDCU separated from KCU in 1990, this cannot be considered a breakaway in the same sense that the G32 might be. As discussed in an interview with the organization's Export Manager, KDCU left with an aim to better service its members and it was an amicable split referred to as a 'gentleman's agreement' (Interview G2 R20). While there may have been tensions related to the two regions and tribal differences, this separation from KCU was considered friendly by the individuals I interviewed (Interviews G2 R12, G2 R14, G2 R19 & G2 R20). Therefore, to the best of my knowledge, there is no comparable case at KCU or KDCU to that of KNCU's breakaway groups. As such, the G32 and Mamsera may be isolated cases found only in the Kilimanjaro region.

I spoke with KCU's General Manager about these breakaway groups and he asserted that MUCCoBS had always advocated the breakup of the unions (Interview G2 R26). He felt that independent primary societies might work well when the price is high, as in the case of Arabica, but that this was not the case for his region's Robusta coffee and could not work at KCU. Another manager at KCU felt that members needed the union:

“People want to join the union because members feel proud within their community that they can own something. This is different than the primary society level because communities come together. The union is better for the farmer because the union has a system linked to the market. Producers couldn't get by just selling to buyers that show up randomly.” (Interview G2 R4)

With regards to KDCU, an academic who had conducted research on Mamsera noted that KDCU was similar to the G32 because of its size, and represented a 'better way' than KNCU and KCU (Interview G2 R11). Another academic said that the divide between the union and the primary society was smaller at KDCU because everyone is housed in one district; according to him this made the social and geographic distance much smaller (Interview G2 R20). While these examples of KCU and KDCU do not answer the question of whether the primaries are more effective structures than the unions in these two regions, they do illustrate the complexity of making claims about whether the primary or union is a 'better' model. As one academic explained:

“When they call the union the cooperative movement I don't agree. The distance between primary and secondary is sometimes so big that nobody knows what is happening. This is different from KCU and KDCU, but in all cases the union wants to control the primary.” (Interview G2 R20)

There are also implications for Fairtrade, of course. One academic discussed why it is important to look at the impact of Fairtrade at the primary society level, and provided an example of how Fairtrade could lose its impact at the union level:

“The anchor for Fairtrade should be the primary society. For me, the primary society is the future of the cooperative movement because decisions to build a different kind of structure will come from them. [...] These funds should trickle to the members. Fairtrade funding should be discussed at the level of the primary society.” (Interview G2 R20)

This raises the questions of whether or not there remains a role for Fairtrade at the union level, and if Fairtrade might one day be able to work directly with the primary societies in Tanzania.

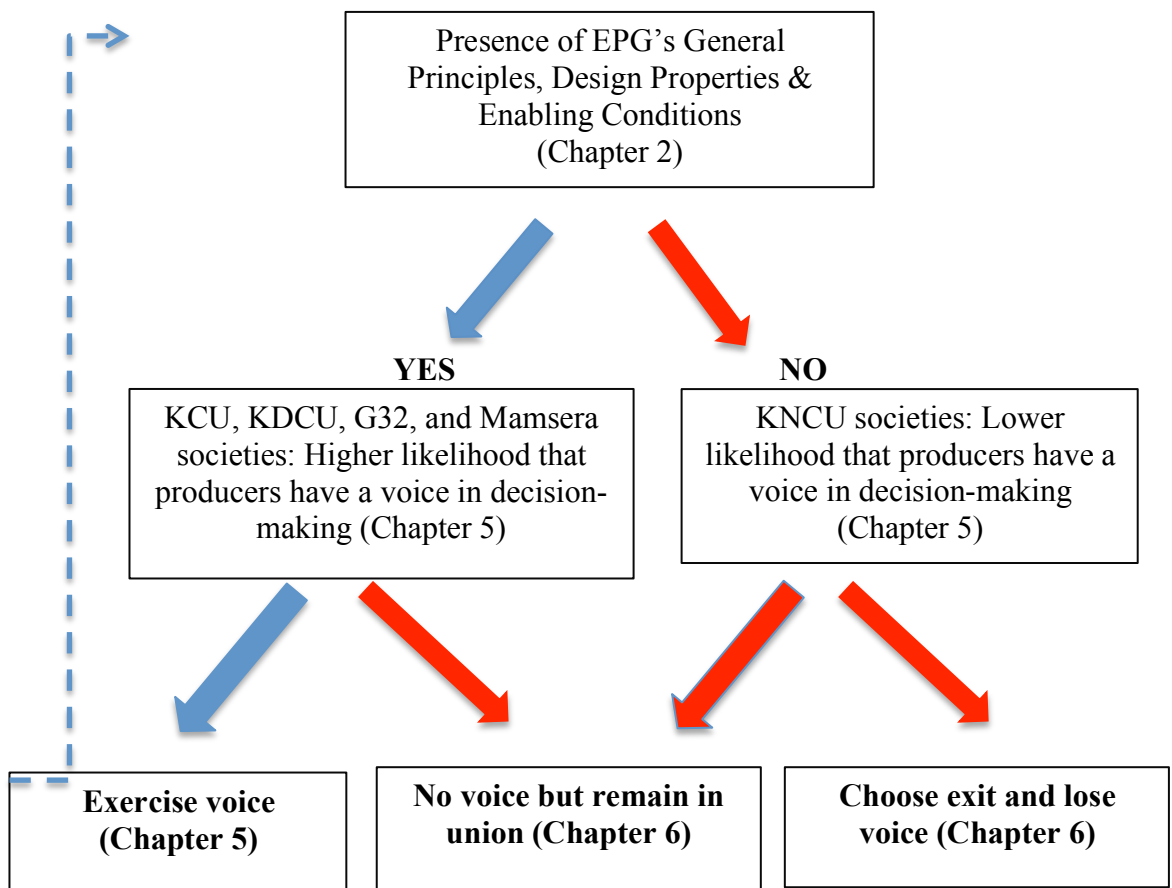
Overall, the three coffee unions that I explore in this multiple case study all face challenges in the post-liberalization environment. From under-capacity factories to breakaway groups, much has changed since KNCU and KCU were first created during the colonial era. In order to remain relevant to farmers, these unions must be able to provide essential services that members could not otherwise access at the primary society level. This may indeed be the case at KCU and KDCU, where farmers are located in more remote areas, grow low-priced Robusta, and benefit from the marketing and transport services of these unions. These primary societies receive Fairtrade premiums, and the findings from Chapter 5 indicate that producers may indeed have a voice in decision-making. Organic farmers in these regions, in particular, stand to benefit from strong capacity building support from union field officers. While they are not without their challenges, these unions may be essential to the survival of the primary societies in these more remote regions, and there are clear benefits of Fairtrade filtering down to the primary societies, in particular through the use of the Fairtrade premium.

KNCU, in contrast, does not seem to provide an attractive alternative to independent primary societies located in the Kilimanjaro region. This is clear in the case of the primary societies belonging to the G32 and Mamsera, who have all been more successful without the union, and who have created competition for the union in Tanzania's competitive coffee market. With regards to Fairtrade, KNCU's primary societies are not currently gaining directly from Fairtrade membership at the village level, as the premiums are being used solely at the union level. In fact, it may be that Mamsera and the G32 present alternatives are more 'Fairtrade' in nature, despite the fact that these primary societies no longer belong to the Fairtrade system.

In Figure 8, I map this onto a modified version of Figure 2's conceptualization of EPG (Fung and Wright 2003) and Hirschman's (1970) exit, voice, and loyalty. This figure is a generalization and hence is oversimplified. However, it shows that when EPG is realized, there is a higher likelihood that producers will have a voice in decision-making, as we see in the case of KCU and KDCU. There are two options for producers who are part of an organization with effective collaborative governance. They may either exercise their voice and serve to strengthen EPG, or they may choose to stay despite the fact that they do not have a voice, which they often do out of loyalty or simply because they do not wish to be active participants. In the latter scenario, EPG is not strengthened.

In contrast, at KNCU there is a lower likelihood that producers will have a voice in decision-making. Should producers not have a voice in decision-making, as seen in the case of some (although not all) groups at KNCU, they also have two options: remain with the organization regardless or exit. In both cases, EPG at the union level is not strengthened; however, at the primary society level exit may lead to strengthened EPG for those primary societies that leave the union. As evidenced in this research, there are of course cases where KNCU farmers exercise their voices effectively, especially when groups have access to capacity development (outlined in Chapter 7). However, the findings demonstrate that this is less likely at KNCU than it is at KCU or KDCU.

Figure 8: Findings on EPG, Voice, and Exit



Source: Author's own based on Fung and Wright (2003) and Hirschman (1970)

6.3 Individual Exit: The Impact of Competition

I now shift from a consideration of group exit, as seen in the case of the G32, to explore the possibility of individual exit from the co-operative. While exit and voice are options available to individuals, either when there is no competition or as a complement to it, competition is also a major “mechanism of recuperation.” (Hirschman, 1970, 3) Hirschman (1970) claims that in the traditional competitive economy model, recovery from what he deems a “repairable lapse” at firms is not essential, as other firms will simply take over when they detect an opportunity. This is precisely what happened in Tanzania following liberalization, and in this section I explore how competition following liberalization in Tanzania may have created opportunities for voice and exit.

When competition increases, individual farmers generally have three options: (1) remain members out of loyalty or satisfaction with the organization, (2) exit from the organization, perhaps after trying to change its policies (Ollila et al., 2012), or (3) remain members while selling to private buyers. In their study on Finnish farmers’ motivation as cooperative members, Ollila et al. (2012) find that loyalty may shrink as cooperatives and farmers experience intensified competitive pressure. Loyal members may accept a lower price for a period of time, but potentially consider exiting if the price stays too low. They also note that, while some members may be loyal, others sell to the co-operative for purely business-related reasons (Ollila et al., 2012).

6.3.1 Coffee Competition

Until the 1990s, Tanzania’s smallholders could only sell their coffee through co-operatives and this marketing channel was vital for their crops. This changed with liberalization, however, as farmers gained the ability to sell to either co-operatives or private buyers. As a result, these private traders, both local and foreign, eroded the dominance of co-operatives in the marketing of agricultural products in Tanzania. At the same time, co-operatives continued to depend on their members for survival, as they are not allowed to purchase from non-members. KCU, as one example, lost its Fairtrade certification for two weeks at one point due to a nonconformity that involved purchasing from non-members (Interview G2 R21). A key informant noted the challenges of retaining members who sell only to the co-operative:

“There are some limits as to how co-operatives are able to engage each and

every member of the co-op. It's a fine balance and when you get that balance wrong private buyers come in to make offer.” (Interview G1 R10)

As Birchall and Simmons (2009, 478-479) describe, “In Tanzania, the impact of liberalization was disastrous. Cooperatives were in a weak position at the start of the trade reform process, and had no breathing space to adjust, and so private traders took over much of their business.” Strict State supervision came to an end, and co-operatives lost the regulatory mechanism that the State had previously provided (although in Chapter 5 I argued that there remains heavy State government intervention regardless). Overall, liberalization created both opportunities and threats for Tanzania’s coffee unions. While it allowed the union to develop its export capacity and independently sell its members’ coffee, at the same time increasing numbers of buyers began competing for this coffee (Tallontire, 2000). While many co-operatives struggled and were not successful in this newly competitive environment (TFC & CDD, 2006), others, including the unions I explore herein, survived the initial years of liberalization and demonstrated their resilience. The General Manager of KDCU noted that his union shifted its approach to address this threat of competition:

“Historically co-ops were the only buyers, but today the philosophy of business is different. Now we operate as a business entity, like a private buyer.” (Interview G2 R28)

This reference to the co-operative as a ‘business entity’ is interesting. Following liberalization, co-ops had to compete with other players and could only stay in business if they were able to sell agricultural produce. At the same time, co-operatives became free from the State to “enjoy autonomy and operate like business ventures responding to market demands”. (Wanyama, Undated, 1) Their success in making this transition had major implications for both (i) individual farmers, who now had the option to exit the primary society, and (ii) primary societies, who now had the option to exit the union. Whereas members joined co-operatives in the past in order to access the only marketing channel available to them, they could now sell to private buyers instead, in turn reducing co-operative membership. And while primary societies in the past needed the union in order to sell their produce, this was no longer a requirement – especially if the union was mismanaged or malfunctioning (Wanyama Undated). The exit of the G32 and Mamsera, as previously outlined in Section 6.2, provides evidence of precisely this type of exit that was made available by liberalization.

In the era of competition, a major challenge for co-operatives is the coffee payment. Private traders typically offer farmers the entire payment in cash up-front, and for this reason many farmers opt to sell to them instead, even though the total price from the co-operative - comprising at least two payments, if not more - may be higher overall. This is especially tempting, of course, when market prices are high as private traders have the flexibility to pay a different price every day (whereas the union sets a price that does not fluctuate often). According to a manager at KCU, the private buyers wait until the unions fix their prices and then top up their prices in order to make them higher than the union's (Interview G2 R21). This can have potentially disastrous consequences for the co-operative. A senior official at the Tanzania Coffee Board explained the risk that the co-operatives could collapse if they are unable to compete with higher prices from private buyers (Interview G2 R10):

“If you're a farmer and someone offers you money today the temptation is there. The co-operative then runs a risk of defaulting and collapsing, and then the value it can offer to the co-op is reduced; the next time the private buyer will offer 10% less. We need to ensure that farmers understand the long-term value of belonging to a co-operative.” (Interview G1 R10)

As a respondent from the TCB outlined:

“Most people sell to private buyers only when they need to. Otherwise the co-ops could collapse and then these buyers would come back with low prices. [Raising awareness] is most essential in terms of making sure that coops are sustainable.” (Interview G2 R10)

Some of the farmers I spoke with understood the risk that selling to private buyers can present to the co-operative, including the likelihood of a lower future price should selling to private traders lead to a collapse of the co-operative. During a focus group in Kibosho Central, Kilimanjaro, one farmer clearly described the challenge that competition poses to the union:

“[The private companies] spoil the price, wait until KNCU can't pay it, and then lower the price.” (Focus Group 1)

Along with the coffee payment, there may also be implications related to coffee quality. In a Mamsera focus group, members noted that private companies contribute to low quality coffee (Focus Group 4), and KCU's Marketing Manager stated that private buyers drive down quality standards by purchasing poor quality coffee (Interview G2

R25). The Executive Secretary of the TCA further described coffee quality as one of the main challenges of liberalization in an interview:

“With liberalization the monitoring of coffee quality is not easy. You cannot tell the farmer he should bring a certain quality, because you say no and another person says yes. So the quality cannot improve because few players in the field are having similar standards.” (Interview G2 R18)

KDCU’s General Manager also felt that the advent of competition has had an impact on quality:

“When we were main players, our members were keen to offer good quality. Now because of the competition they don't even dry it properly.” (Interview G2 R28)

The strongest competition within the coffee industry is found in the Karagwe region, where KDCU’s farmers are located. The Fairtrade Co-ordinator at KDCU attributed this to the fact that the region produces a large quantity of high-quality Robusta coffee (Interview G2 R14). Driving through the small town of Kayanga (where KDCU’s office is located), I saw factories and offices belonging to private traders Olam, Karagwe Estate, Asu, Kadris, and Danier, and was told that there are over 15 companies operating in the region (Interview G2 R14; Author’s non-participant observation). These private companies approach farmers with a full payment in cash, which is of course tempting to farmers. However, while these private buyers may present attractive alternatives to farmers in the short run, they pose many challenges for the future of the primary societies and the union. The Chair of KDCU’s Mabira primary society was nervous about this and stated:

“Stiff competition is going to end the coop; the primary society will collapse. We don't get the coffee because private buyers pay a better price. Five years ago we had same number of farmers. It's just that now they don't sell here anymore.” (Interview G3 R13)

While strict State supervision came to an end with liberalization, the country’s coffee auction, outlined in Chapter 3, may offer one means of adapting to this newly liberalized market. An Export Manager at KCU explained the importance of the auction to them:

“We produce more than we can buy and we need other buyers. We don't think we can sell this coffee without going to the auction. In the auction, mind you, there are many factors that determine the price. In the auction we get a higher

price because of these factors.” (Interview G2 R4)

The KDCU General Manager spoke of the importance of strengthening the auction, while minimizing and restricting direct exports, as a means of addressing the impact of competition:

“When we have the auction we have transparency and competition. We go to auction and improve weaknesses and bottlenecks to make the auction more efficient and on time. At the auction there's monitoring from TCB, but there isn't for direct export. Without co-ops, farmers will suffer. Without the auction, farmers will suffer.” (Interview G2 R28)

6.3.2 Selling to Private Traders

Most of the farmers I met had either been members of their primary society for decades, or had received the farm from a late family member. Of the 68 producers I spoke with, 35 claimed to have joined their primary society before the 1990s (Producer Questionnaire Q15). The majority of the remainder had received the farm from a late husband or parent, as land is passed down through the family in Tanzania. A great deal has changed since these families first began coffee farming; today many producers are both members of the co-operative and sell to private buyers. Selling to the competition does not imply exit from the co-operative; once farmers have paid their shares they will always continue to be co-operative members. Of the 68 individuals farmers I interviewed, 11 reported selling to both the primary society and private buyers while the remainder claimed that they only sell to the primary society; there were, however, no regional trends within the sample (Producer Questionnaire Q11). Reflecting on my role as an outsider and the implications of the interview location as outlined in Chapter 4, I question whether some farmers might have felt uncomfortable telling me the truth about selling to others, fearing that I would share this knowledge with the co-operative or that a neighbour might overhear. If so, these numbers may be higher in reality.

I asked farmers who sold to private buyers why they did this. Some said that they needed the money quickly due to sickness or their children's school fees (Interviews G4 R19, G4 R24 & G4 R54), while others said that they sold to them because the price from the primary society was low (Interviews G4 R29, G4 R58 & G4 R64). At a focus group in Kasharu (a KCU primary society), one member explained that:

“The primary society must be strong to compete with private buyers. Some

farmers here will sell to private buyers if they have problems like needing to send their children to school.” (Focus Group 5)

Some farmers stated that they had sold to private buyers in the past but no longer did. In a Mamsera focus group, members told me that there were no longer private buyers coming to Mamsera because the farmers had stopped selling to them as soon as they saw that there was no second payment (Focus Group 4). This was echoed by a KNCU producer who said that farmers sold to a private buyer in the beginning, but switched back to the co-operative when there was no profit (Interview G4 R23). One farmer explained that he used to sell to a private buyer but no longer does:

“I sold to [a private company] in the past with the introduction of the free market. But I stopped because there was no second payment. If the world market price went up, I didn’t get anything.” (Interview G4 R32)

KDCU’s General Manager referred to loyalty when speaking about competition, stating:

“Some members are not loyal and they sell to others. We do not punish them.” (Interview G2 R28)

During interviews, many of KCU’s farmers reported strong competition from private buyers, particularly in the Muleba region, including Olam, Dormans, Taylor Winch, and Sherif (Group 4 interviews). In focus groups farmers said that people sell to private buyers if they have problems like needing to send their children to school; one individual explained:

“We need to sell to Olam [a private company] if there's no money from KCU.” (Focus Group 5)

One farmer stated:

“I love being part of the co-operative. I only sell to other companies because the price is better.” (Interview G4 R58)

Another expressed his anger towards these private companies, referring to these buyers as ‘thieves’:

“The [private companies] are thieves. I have never sold to them and I never will. There’s one company here but I don’t sell to them. Others are scared to come here.” (Interview G4 R35)

A farmer at a KCU primary society mentioned selling to smugglers because he did not have a large enough quantity of coffee to sell to the co-operative (Interview G4 R45). As a key informant explained, Ugandan smugglers travel across the border in western Tanzania to sell their coffee to private buyers (Interview G2 R36). A KDCU farmer claimed:

“I joined the co-op to sell coffee here rather than to smugglers from Uganda. They try to buy from me but then realize I’m loyal.” (Interview G4 R64)

Six of the farmers I interviewed from KNCU mentioned selling to Dormans (Producer Questionnaire Q11), a private trader, and I was therefore interested in learning more about this company. I interviewed individuals from two private companies, one of which was Dormans. Originally from Kenya, the Dormans representative told me that they are currently expanding throughout Tanzania. Dormans buys green (unroasted) coffee from Tanzania, brings it to Kenya for roasting, and then either exports it from Nairobi or brings it back to Moshi to sell (Interview G2 R15). As a result, substantial value is lost along the chain. The chairwoman of the Kyengia primary society told me that, in the past, farmers sold to Dormans because KNCU was paying less. However, she explained that there is now resistance against the private company, including at the governmental level:

“Dormans is not here right now, but is trying to get a license to come back in August. We had a zonal meeting with the DCO a little while ago, and he told us to tell them if Dormans comes back because he doesn't want them here.” (Interview G3 R1)

It is interesting that the DCO might attempt to dictate which buyers are allowed to be there and threaten those who are not part of the co-operative. I did not hear about this from others, but this does indicate that the government likely plays a more prominent role than that outlined in the Co-operative Law, as I noted in my Chapter 5 findings on the role of the State.

Most farmers stated that they only sold to the primary society they belonged to, although three mentioned selling to another primary society nearby (Interviews G4 R55, G4 R60 & G4 R61), depending on which one paid first. The Deputy Secretary at Mamsera also claimed that some farmers from nearby KNCU primary societies had sold their coffee to Mamsera in recent years – demonstrating the potential for this breakaway group to create competition for the union (Interview G3 R2). He claimed that this was

because Mamsera had offered farmers a higher price than KNCU for the past eight years.

Producers who sold only to their own primary societies gave various reasons for selling to the co-operative: the principle of selling to a co-operative (Interview G4 R35 & G4 R37), better incomes over the long run (Interview G4 R65) and a good Board of Directors (Interview G4 R55). One KDCU farmer stated that he only sells to his primary society because his coffee is organic and he therefore receives a high price for it (Interview G4 R66). This is an important point, as farmers whose crops are certified organic receive more money for their coffee than those who are not organic, and these farmers might be less tempted to sell to other buyers.

It may not be true in all cases that private buyers will eventually lower the price. While staying at Kahawa Shamba, KNCU's rural Fairtrade tourism project in Uru North, I learned about a private buyer from Sweden. The buyer runs an independent CPU for a small group of approximately 30 farmers. These farmers all belong to KNCU and she has hand-selected the ones with the highest-quality Arabica coffee. Mild Arabica coffee is, as previously outlined in Chapter 3, highly desired on the world market. The owner of this CPU pays farmers a better price than KNCU and guarantees certain purchasing volumes. This offers farmers with high quality coffee an attractive alternative to the PCS, as it was reported that she pays 7800 TSh/kg in contrast to KNCU's 5000 TSh/kg (Interview G2 R2). She has an export license for the auction, after which point she exports directly (Interview G2 R2). There was no evidence that she was lowering the price paid to farmers in this case, as she aimed to ensure the highest possible coffee quality. However, this is quite a different case from private buyers who buy on a one-time basis in order to meet their demand needs.

The entry of private buyers has also had an impact on coffee processing. KNCU's factory initially produced 500 tons of coffee per year, which increased to 10,000 tons in 1935 and 50,000 tons in 1997; today, however, it is operating at below 10 per cent capacity (Interview G2 R13). It has a Board of Directors and 54 permanent employees, down from 600 employees at its peak production time (Interview G2 R13). The reason for this decline in production is the entry of private curing companies with the era of liberalization; as these companies were established in the second half of the 1990s, co-operative unions lost a great deal of their coffee curing market share (Ponte, 2002). The

Executive Secretary of the Tanzania Coffee Association described the factory as a “white elephant with over capacity” (Interview G2 R18) and, according to the Deputy Secretary Manager at Mamsera:

“KNCU's financial position is very poor. Their big asset is the coffee curing plant that is barely manageable. The electricity bill alone is 11 million TSh/month. That factory is almost valueless because of new technology. It will be obsolete soon.”(Interview G3 R2)

This is not, necessarily, a negative impact of competition. This part State-owned, part KNCU-owned factory is old and may not have the new machinery required to supply the world’s coffee demand. Competition can lead to necessary upgrades or replacements in this case. However, KNCU is tied to this State apparatus as it currently owns 29 per cent of the factory (Interview G2 R13).

Overall, it is clear that private buyers are creating challenges for the co-operative model, which the primary societies and unions must be able to respond to. While farmers understand the risks of selling to buyers, and the potential long-term consequences such as the conceivable collapse of co-operatives, at times they feel as though they have no other choice. If a farmer cannot afford to send his child to school because the payment is delayed or too low, this individual may indeed feel as though private buyers offer an attractive alternative.

6.4 The Fairtrade Price

If the three unions in this study all pay farmers a Fairtrade price, should this not be enough to dissuade producers from selling to the competition? The answer is not a simple one. It is important to remember here that the Fairtrade price is paid to the union, rather than the primary society or individual producers, and that KNCU, KCU, and KDCU all sell between 15 and 50 per cent of their coffee as Fairtrade, depending on what the market demands (see Table 6). As a manager at KCU explained, if the union sells more Fairtrade coffee on the market, the farmers will receive a higher payment (Interview G2 R4). It is therefore difficult to determine how much of the Fairtrade price goes to farmers, although it is clear from interviews that the Fairtrade price alone is not enough of an incentive for farmers to sell solely to the primary society.

This is further complicated by fluctuating world market prices, and it is important to consider the coffee payment within the context of international prices. At the time of the field research with producers, in summer 2012, international coffee prices were moderately higher than the annual averages of the past decade (International Coffee Organization, 2013). They were, however, slightly lower than the spike in coffee prices in 2011 that saw the New York price of coffee double. Overall, while co-operatives may have been beginning to experience a decline in the price they received for non-Fairtrade coffee, world market prices remained at a higher point in the cycle.

When coffee prices are high, one can imagine that the Fairtrade price takes on less significance. While the Fairtrade price always increases to match the world market price, during times of higher coffee prices producers will have stronger alternative options, strictly price-wise, should they wish to sell to private buyers. In contrast, it is when coffee prices are low that the Fairtrade guaranteed minimum price takes on more prominence. This is because the alternatives that private buyers offer are likely weaker during this time.

As my interviews took place during a period of relatively high coffee prices, it is possible that producers were experiencing less financial benefits from Fairtrade at this time. As a result, they may have been more tempted to sell directly to private buyers. However, counterintuitively this does not seem to have been the case within the sample, as most individuals denied selling to private buyers at the time of interviews. As I outlined in Chapter Two, this could be due to the fact that the Fairtrade price is not the most important aspect of the system. It is therefore essential to consider additional benefits, such as the Fairtrade premiums or access to capacity building, when evaluating the impact of Fairtrade during times of fluctuating coffee prices.

As I learned in Group 3 and Group 4 interviews, in 2012 the price paid to farmers selling to KNCU was 5000 TSh per kg of Arabica conventional pulped coffee (including both payments), while the price for independent primary societies such as Mamsera was higher, between 5200 and 5900 TSh/kg – despite the fact that these latter societies do not belong to the Fairtrade system. The price for Robusta conventional coffee during the same period at KCU was 3650 TSh/kg, while KDCU farmers reported being paid between 1100 and 1500 TSh/kg for Robusta cherry, as the price had changed throughout the season. The price of Robusta differs between KCU and KDCU, as

farmers at KCU receive a payment for clean coffee that has gone through the CPU, while those at KDCU sell coffee cherry - the weight of which is, of course, higher. Despite this, the price that farmers receive for their coffee is shockingly low in comparison to what Westerners pay for a cup of coffee at Starbucks: one farmer at KDCU stated that he must sell a kilogram of coffee, which yields approximately forty cups of coffee (Barista Exchange, 2013), in order to buy a can of soda (Interview G4 R60). KCU adjusts its price throughout the year according to the world market; as such, farmers often get differing prices (Interview G2 R25). Producers in Kasharu claimed that the price was good at the start of the season, but had gone down during the season (Focus Group 5). Prices are higher for organic coffee in all cases. However, these numbers do not tell us much about the Fairtrade price, as it is difficult to discern how this oft-overemphasized element of the system may trickle down to individual farmers (Sutton, 2013a).

Overall, the price of coffee is a major concern for farmers. When I asked producers about the challenges they face (Producer Questionnaire Q40), 37 mentioned price as their primary concern. Six farmers reported that the cost of production is often higher than the price (Interviews G4 R1, G4 R8, G4 R10, G4 R11, G4 R21 & G4 R63). A member of a focus group in Kyengia, a KNCU primary society, mentioned that the time between payments is a problem, as farmers often do not know when the payment will come and it often does not come at the right time (Focus Group 3). Another individual in this focus group summarized:

“The problem is the fluctuation of price. The price is low now, and the cost of production is too high. Buyers don't tell us the price.” (Focus Group 3)

Other responses to my question about the biggest challenge to farmers referenced the price. Some examples included:

“Price fluctuations are a big problem. Sometimes it is 4000 TSh, and then it drops to 3000 TSh. This is very hard for farmers.” (Interview G4 R5)

“If KNCU wants all coops to be members it needs to make sure the coffee price is stable.” (Interview G4 R32)

“The price of coffee is pulling us down. We bring our coffee [to the primary society] but it doesn't get enough money.” (Interview G4 R34)

“My biggest challenge is to bring the coffee to the primary society when the price is low, and not sell to private buyers.” (Interview G4 R62)

I asked the 38 farmers who were familiar with Fairtrade whether or not Fairtrade had increased their standard of living (Producer Questionnaire Question 38), encouraging them to elaborate on their yes/no answer. Of these 38 farmers, 21 said no or were unsure. Comments included:

“I don’t feel it.” (Interview G4 R1)

“In the past but not now.” (Interview G4 R20 & G4 R22)

Of the 17 farmers who said yes, 8 referred to the price increase as improving their standard of living. Additional responses included:

“We have a big amount of money now and get free knowledge from them.”
(Interview G4 R2)

“It has made a big difference.” (Interview G4 R19)

“Now I can take my children to school.” (Interviews G4 R47 & R53)

Optimistically, the Secretary-Manager of the Izigo primary society told me that his primary society was paying farmers higher prices as a result of Fairtrade (Interview G3 R8). Farmers in this Kyengia focus group also told me that Fairtrade helps to cover the price when it is low; however, they also said that the price was not good and was lower than it had been three years ago (Focus Group 3). Overall, the Fairtrade price does not appear to act as a deterrent from selling to private buyers and does not act as a barrier to individual exit for farmers.

6.5 Conclusion

Exit is clearly an option that is available to producers when they do not feel as though they are achieving a voice in decision-making. This alternative may be available to groups, as seen in the case of the G32, or individuals, as described in the section on post-liberalization coffee competition. While voice can serve to strengthen collaborative governance, exit simply reduces participation. As loyalty may play a mitigating role by postponing exit, even when voice is not realized, Hirschman’s (1970) predictions to this effect hold true.

The G32 can be viewed as one type of the countervailing power that Fung and Wright (2003) deem essential to EPG. In this Kilimanjaro region, this oppositional force today exists as a challenge to KNCU and an alternative that is available to the union's members. While I did not find evidence of a similar group in the other two research zones, Kagera and Karagwe, one can imagine that a similar situation could arise if farmers became unhappy with their involvement in the union. Individual sales to buyers are also a potential form of exit, and these sales typically depend on the coffee payment to farmers – whether it be higher or simply cash in hand.

Finally, it does not appear as though the Fairtrade price is having a strong impact on the farmers belonging to Tanzania's Fairtrade coffee unions. Unfortunately, the Fairtrade payment does not necessarily provide farmers with an attractive alternative to private buyers, mainly due to the fact the unions are unable to sell the bulk of their coffee as Fairtrade.

7.1 Introduction

In this chapter I investigate the potential of capacity building, which emerged as a highly relevant theme during interviews, to foster countervailing power. I begin by exploring the capacity building that is available to individuals as both (1) farmers and (2) members – a dual role that is unique to the co-operative model. As farmers, access to training and technical assistance about coffee can lead to quality improvements resulting in increased yields or better prices. This is clearly important to individuals who depend on farming for their livelihoods. Individual capacity building may also be conceived of as a means of arming people with the skills and knowledge they need to engage more fully as members. As seen in the case of the Kilimanjaro breakaway groups, this can lead to the development of a countervailing power, as required in Fung and Wright's (2003) model. Along with enhanced farming skills, I explore how capacity building may serve to both (a) strengthen voice and retain farmers as active participants in collaborative governance and (b) foster exit as outlined in Chapter 6.

I then move on to a consideration of capacity building for women, as producers frequently referenced the importance of education and training during discussions of female participation. Capacity building therefore emerged from interviews as essential to the development of female members and leaders within these co-operatives. I do not attempt to assess the gender impact of Fairtrade, but instead to highlight some of the challenges for women that capacity building might serve to address. I begin by outlining barriers to female participation including land ownership and cultural norms, before exploring the opportunities that are available to women as both members and leaders.

7.2 Capacity Building for Farmers and Members

In this section I explore the training or technical assistance that is provided to farmers, which I group under the umbrella of 'capacity building'. Capacity building activities often include technical assistance, training programs, conferences, and study tours, and technical assistance is the most common form of capacity building (Lusthaus and Neilson, 2005). In the case of Tanzania's coffee farmers, capacity building primarily

comprises the training and technical assistance that is provided by the union, the Tanzanian government, the Fairtrade system, and external organizations. These services may be provided to members, Board members, or managers, and I argue here that training for members can lead to both (1) enhanced success *as farmers* and (2) increased involvement *as members*. While access to training and technical assistance about coffee is important to individuals as farmers, as quality improvements may result in increased yields or better prices, it is also a means of providing people with the skills and knowledge they require to engage more fully as members. In this latter case, capacity building may be conceived of as a type of countervailing power. Countervailing power is about challenging those who are typically privileged in decision-making venues (Fung and Wright, 2003), and therefore capacity building may serve to strengthen voice and retain farmers as active participants in collaborative governance.

At Tanzanian coffee co-operatives, the members are the owners of the business. Therefore, any meaningful change will require education and training at the membership level (Chambo, 2009). The G32's primary societies, including Mamsera, provide examples of how this might happen and how access to capacity building can eventually lead to exit. These groups had access to capacity development through MEMCOOP, as outlined in Chapter 6, and as a result eventually became a countervailing force to the union. Prior to MEMCOOP, many initiatives had engaged in training and capacity building solely at the leadership level; MEMCOOP instead committed to shifting the focus to the members. As seen in Chapter 6, MEMCOOP trained the G32 members and taught them their rights as producers. As a MUCCOBS lecturer who was involved in this program describes:

“MEMCOOP came about as a capacity building venture. The project provided training to members so they could realize what they want in the co-operatives and go about making changes.” (Interview G2 R19)

The General Manager of the G32 explained that capacity building is about arming people with the skills and knowledge they need to meaningfully engage in their organizations:

“We need to train [farmers] for transparency, so at the grassroots level they can ask and answer questions. They don't need us to answer on their behalf. [...] We just provide technical advice, not take power.” (Interview G2 R17)

While I had not originally planned to focus on capacity building as a major theme, it emerged as an important area of research while I was conducting Group 4 interviews with producers. During interviews I asked farmers about the training and technical assistance that they have access to in order to learn about how they might benefit from capacity building¹⁶ (Producer Questionnaire Q32). Of the 68 farmers I interviewed, 51 stated that they receive training. Although unprompted, some of these farmers noted learning from specific individuals, including union field officers, government extension officers, the Board, the DCO, TACRI, and Envirocare, a local non-governmental organization. It should be noted, however, that farmers were often unclear about who these individuals providing training or technical assistance were and there were few clear statements about ongoing visits. The one exception to this stemmed from conversations with organic farmers, who receive regular visits from union extension officers and appear to be privileged in the delivery of training. I asked those 51 farmers who claimed to receive training to elaborate on the assistance that they receive, and these answers are provided in Table 18.

Table 18: Training and Technical Assistance

Response	Frequency
How to grow and tend coffee	28
Organic methods	6
Training as a Board member or Secretary Manager	3
Seminars on Fairtrade	1
Health insurance	1
Coffee diseases	1

Farmers also voiced concerns when I asked them to elaborate about the training that they receive. Some farmers stated that there is not enough training and that visits are not frequent enough, while others claimed that they were not learning about the right topics. Of particular interest is the fact that 17 farmers of the 68 interviewed (equivalent to one quarter of the sample) claimed that they do not receive any training whatsoever. Some of these individuals stated:

“Seminars and training are mostly for leaders.” (Interview G4 R37)

“Nobody comes to train us; this is a big problem.” (Interview G4 R55)

¹⁶ I did not use the term ‘capacity building’ in farmer interviews, as the phrase is problematic and open to interpretation; instead I used ‘training and technical assistance’ as stated in the definition of capacity building that I adopt here. See Lusthaus & Neilson (2005).

“Not even experts come here.” (Interview G4 R58)

“Leaders get training about their responsibilities but there is not much technical advice about coffee.” (Interview G4 R19)

Five farmers mentioned that extension officers used to visit often but no longer do. A few responses from these individuals included:

“Extension officers rarely come and when they do they visit few farms. Before independence every village had 1 extension officer. Now there’s 1 extension officer for 9 villages.” (Interview G4 R9)

“Extension officers are few and can’t visit each area. At one time there were many; now there are few.” (Interview G4 R10)

“We used to have a lot of assistance but not now.” (Interview G4 R20)

When I asked farmers about the biggest challenge they face as coffee farmers (Producer Questionnaire Q40), nine individuals mentioned a lack of knowledge about how to grow quality coffee, with a few explaining:

“We need more training on how to grow coffee.” (Interview G4 R26)

“We need to learn more about how to dry coffee.” (Interview G4 R43)

“There’s a problem with wilting disease ruining coffee trees. We don’t know how to cure it.” (Interview G4 R51)

“Government doesn’t support us to improve agriculture.” (Interview G4 R58)

It could be that farmers are also not learning about topics that they deem necessary to their personal development; as Chambo (2009, 11) notes, “[...] traditional member education and training has not given the members the right skills and knowledge of bringing about qualitative change in their lives through their co-operatives.” I asked farmers what they would like to learn (Producer Questionnaire Q32b), and their answers, which primarily related to improving coffee quality, are listed in Table 19 below.

Table 19: Learning Interests

Response	Frequency
How to grow high quality coffee/increase the price	13
How to plant coffee seedlings	3
How to apply herbicides and pesticides	3
Knowledge of how to run the union	1
Training on how to be a Board member	2
About diseases/pests that affect coffee	1
English language skills in order to speak to the visitors who come here	1
Animal husbandry	1

I also asked farmers if there are more informal ways, such as through discussions with a neighbor or a friend, in which they learn (Producer Questionnaire Q33). Of the 68 farmers I interviewed, 52 said that they learn from others, with most mentioning neighbours. The reasons they gave included ‘to get advice from those who are more successful’, ‘to share amongst ourselves’, and ‘to learn from elders’. One farmer explained why he thought it was common for people to learn from neighbours:

“Your neighbor has the same problems. We lack access to experts.” (Interview G4 R58)

I now move on to explore the primary stakeholders who provide capacity building support at the three unions.

7.2.1 The Unions

Overall I discovered that the three unions provide limited capacity building support to farmers. Where there is access to capacity building, it is happening primarily at the leadership level. An academic I interviewed felt that there should be a training fund for both staff and members, as this support had traditionally been confined to staff rather than members (Interview G2 R19). The exception to this is organic primary societies at all three unions, where the farmers stand to benefit from strong capacity building support from union field officers. As required by the organic standards of the Institute for Marketecology (IMO), which provides the organic certification at the three unions, there must be one field officer designated to every 500 organic farmers (Interview G2 R21 & G2 R27). There is, in contrast, no similar requirement under the Fairtrade certification system. Producers with organic farms therefore receive more field officer support through the union than their non-organic counterparts do.

Because of this, I was curious to learn more about how unions select primary societies to become organic. During an interview, KNCU's acting Agricultural Farming Technical Services Officer told me that they look at production levels, historical background, and the magnitude of chemical usage in the areas (Interview G2 R8). If they are satisfied that the criteria have been met, they meet with the Board of the primary society to introduce the idea of converting to organic, and if they agree they discuss with all the producers, who then vote. Once they have passed the registration stage, these primary societies receive one designated field officer for every 500 farmers. The Organic Co-ordinator at KDCU told me that they select organic primary societies based on high productivity (Interview G2 R27). This begs the question of whether the strong might be getting stronger if only the best societies are chosen for organic conversion. For KCU and KDCU, the conversion to organic is quite straightforward as the farmers use manure and compost in the Kagera region, rather than chemicals, already (Interview G2 R27). The barrier to going organic at all primary societies within these unions is the cost of certification, including the additional field officers who must be employed.

7.2.1.1 KNCU

During interviews with KNCU managerial staff, I was told that the union conducts training for members at primary societies. Key informants referenced training on leadership, Fairtrade standards, and gender sensitization (Interviews G2 R6, G2 R7 & G2 R9). The union's Fairtrade Liaison and Export Marketing Officer told me that they provide a Fairtrade seminar every year.

KNCU's Agricultural Farming Technical Services Officer is responsible for extension work. He explained that field officers train farmers on issues related to quality coffee, such as fertilizer and pruning (Interview G2 R8). At the time of research, KNCU employed 18 extension officers, of which 12 were assigned to the union's 11 organic co-operatives. The remaining six were each responsible for between five and ten primary societies, and most did not have access to transport such as motorcycles. I interviewed KNCU's Field Officer Supervisor on two separate occasions (Interview G2 R35). When I first interviewed him in July 2012, he told me that KNCU was planning on hiring additional field officers at every primary society and expanding its capacity building activities. However, in a second September 2012 interview he informed me

that KNCU had instead decided to reduce this program in order to cut down on expenses; as a result, only the 11 organic primary co-operatives will continue to benefit from field officer visits. He expressed his disappointment at this decision, noting:

“I think conventional [coffee] will die.” (Interview G2 R35)

This represents a clear lack of support for and investment in capacity building on the part of KNCU, aside from that provided to organic farmers.

7.2.1.2 KCU

A KCU manager I interviewed cited a commitment to capacity building and policies on developing the careers of its staff; he provided examples related to training primary society leaders about accounting and supporting people in their studies in Dar es Salaam (Interview G2 R4). This support, however, applies to the union’s employees rather than farmers. At the time of research KCU had 100 extension officers, all of whom were entirely dedicated to organic producers; of the union’s 126 primary societies, 21 were organic. I asked the General Manager and Fairtrade Coordinator why there were no field officers for non-organic producers, to which both replied that it is too expensive to employ more individuals (Interviews G2 R21 & G2 R26).

I had the opportunity to interview and observe the work of two field officers at KCU’s Izigo primary society, which is organic. These individuals were not farmers or co-operative members, and had been hired independently by KCU. Their main job is to register people as organic farmers and to conduct organic inspections. This particular primary society comprised three villages with a total of 584 farmers and therefore two extension officers were required, as there must be one field officer for every 500 farmers according to IMO standards. These officers told me that production typically goes up with organic conversion (Interviews G3 R9 & G3 R10), as these farmers learn about how to grow high-quality organic coffee. This is clearly an advantage to being organic. I observed these field officers for a day as they visited farms by foot (Author’s observations). At each farm they would begin with introductions and ask to see the farmer’s organic contract. One farmer was taught how to use manure, while another learned about how to prune with a technique known as the single branch method. Overall it was clear that organic farmers receive a great deal of one-on-one attention that their conventional counterparts are not privy to. However, this is not to say that the

capacity building provided to organic farmers is optimal. These field officers mentioned problems related to limited resources, such as a lack of motorcycles and an expectation that they would walk up to 50 km a day as some of the farms are located 25 km from their office (Interviews G3 R9 & G3 R10). One said:

“The Fairtrade standards say farmers should have training, but KCU doesn't provide money for training. Fairtrade sends money to KCU but they don't give us money on time. Farmers don't get the money, so what is going on? Maybe then send money to buy free transport for field offices but we don't get it.”
(Interview G3 R10)

7.2.1.3 KDCU

At KDCU, the Fairtrade and Organic Coordinator told me that the union aims to train every primary society and all members (Interview G2 R14). She claimed that they had attempted ‘train the trainer’ exercises in the past, but that these had been unsuccessful; as such, they hoped provide capacity building to every individual. She stated that training is provided to all members and primarily relates to coffee quality, Fairtrade, marketing, and agricultural practices. The Board also receives one training session a year. The General Manager told me that KDCU’s Board and management organize a workshop every year to teach farmers about issues such as co-op leadership, marketing, and Fairtrade (Interview G2 R28). He explained:

“We invite all members to these meetings at the primary societies. We used to select representatives to take part but there was no bigger impact because they didn't share the information. Just a few people got the knowledge and didn't share it. So now we go to every primary society every year, tirelessly.”
(Interview G2 R28)

KDCU has had organic primary societies since 2010 and claims that, as in the case of KCU, it was easy to receive organic certification as the farmers use manure and compost rather than chemicals to begin. The union currently has eight primary societies registered as organic. As is the case at KCU, KDCU’s field officers, of whom there are 20, deal solely with the organic primary societies (Interview G2 R14). The Organic Coordinator told me that the job of the field officer is to train farmers on organic standards, and to conduct inspections before the IMO audit (Interview G2 R27). These field officers visit every farm to train farmers on organic standards and conduct pre-IMO organic audits. He noted that this could be challenging, as field officers might need to visit eight farms in one day on foot. However, once again the field officers were dedicated only to organic farmers.

7.2.2 Government

Tanzania's *Coffee Industry Development Strategy* aims to increase coffee production through enhanced productivity, including replacing old trees with improved varieties, applying good agricultural practices, and expanding production to new areas (TCB & TCA, 2012). It notes the importance of extension support in the field, claiming that this will be achieved through training to facilitate technology transfer (TCB & TCA, 2012). Under the Ministry of Agriculture, Food Security and Cooperatives, the government employs agronomists who work as agricultural extension officers, also known as field officers. These individuals are all tasked with providing technical assistance and training to farmers. They are meant to visit farms to provide advisory and technical services, such as information on the plowing and planting season, or which seed varieties to use to deal with coffee diseases. However, I discovered that there is a real lack of capacity building in practice. Overall, there appears to be a lack of clarity regarding exactly which State institution should take on this responsibility.

While one might expect the Ministry of Agriculture, Food Security and Cooperatives to be highly engaged in capacity building support, this was not the case. While a KNCU tour guide said that extension officers visit two to three times a year (Interview G2 R2), others raised complaints about the lack of visits they receive from government extension officers. Instead, I found that most of the capacity building efforts were left to the Tanzanian Coffee Research Institute (TaCRI), previously introduced in Chapter 3. TaCRI primarily exists to breed disease-resistant coffee varieties and the organization sells these seedlings to coffee farmers, sets up demonstration farms on productivity and quality improvement, and provides training to coffee farmers. In an interview with a TaCRI manager, I learned that productivity has decreased overall in Tanzania (Interview G2 R32). However, TaCRI believes that they have solved this problem as they now have 15 improved Arabica varieties that are resistant to Coffee Berry Disease (CBD) and Coffee Leaf Rust (CLR), as well as four Robusta varieties resistant to Coffee Wilt Disease (CWD). TaCRI works through farmer groups and claims to have trained over 300,000 farmers since 2001, of an estimated total of 500,000 coffee farming families in Tanzania (Interview G2 R32). In Old Moshi I was told that TACRI provides education for better crops, nurseries, and new seedlings, coming out to visit the nurseries and producers' farms (Interview G3 R4). The General Manager of KCU was the Chairman of TaCRI at the time of research and stated in an interview:

“TaCRI does a lot of work that other government departments, such as the Ministry [of Agriculture, Food Security and Cooperatives] and the DCO, should be doing.” (Interview G2 R26)

I was interested in learning more about why the Ministry of Agriculture, Food Security and Cooperatives, was not fulfilling this capacity building role. While in Moshi, I had the opportunity to interview the DCO, DALDO, and DCSMS, who are housed within the Ministry, as outlined in Chapter 3, and who are responsible for the Ministry’s extension officers. The DALDO oversees all agricultural activities including the government’s agricultural extension officers, also known as field officers (Interview G2 R34). For his district of Moshi, there are 162 field officers, 112 specializing in agricultural crops and 50 who deal with livestock. The DCOs visit primary societies to share information about co-operative law. During an interview the DCO explained some of the challenges that he faces: there are not enough field officers to visit farmers at the primary societies, financial resources are lacking, and fuel and transport are a problem (Interview G2 R33). The Tanzania Coffee Board (TCB) provided coffee extension services until the early 1980s, but this is now the responsibility of the local government authorities (TCB & TCA, 2012). This is considered problematic, however, as the quality of these services varies across areas, they are often under-staffed, and may lack coffee husbandry expertise (TCB & TCA, 2012).

Overall it appears as though TaCRI may be, in its limited capacity, filling an important gap that the government’s extension officers are unable to contribute to despite their stated aims. The DCSMS I interviewed explained that they work closely with TaCRI, operating through TaCRI’s coffee farmer groups and coffee nurseries (Interview G2 R37). A TaCRI manager also said this is because there are not enough government extension officers due to a lack of money for motorcycles and fuel (Interview G2 R32). The Fairtrade Coordinator at KCU (Interview G2 R21) stated:

“The government should have field officers but they don’t really here.”

7.2.3 Fairtrade

Capacity building efforts are required by the Fairtrade system and should therefore be an essential feature at every union. The Fairtrade standards for small producers require training on coffee production (related to handling pesticides, pest management, and more) as well as co-operative membership. According to standard 4.2.1.1 (Fairtrade

International, 2011e), by their third year of certification organizations “must provide training to your members on internal mechanisms to facilitate their control over your administration” and the accompanying guidance notes claims that this “will increase members’ understanding and awareness of operations enabling them to participate more actively in your administration.”

FLO uses Liaison Officers (LOs) for the purpose of capacity building. It employed 52 LOs globally in 2012 through its Producer Services and Relations Unit (PSR) (Fairtrade International, 2012a), with six LOs in East Africa, three of whom were located in Kenya. While I expected to hear a great deal about capacity building efforts, I was instead surprised to learn that efforts are concentrated primarily at the organizational level. During the course of this research I discovered that there is no LO in Tanzania, despite the fact that Tanzania is the largest nation of Fairtrade producers in the world (FLO 2012 M&E). Instead, the Kenya representative is charged with visiting Tanzania’s producers. I was curious to learn more about why FLO had not allocated LOs in Tanzania, and interviewed the Head of the African PSR (Interview G1 R16). He explained that LOs are allocated according to organizations, rather than individuals. The rationale for this is that FLO works at the organizational level, and therefore must allocate its resources according to the number of Fairtrade Certified organizations in a given country. He explained:

“This is because the core focus is certification, which happens at the organizational level.” (Interview G1 R16)

However, a focus on certification and passing Fairtrade audits does not necessarily equate to capacity building. While meeting Fairtrade standards is clearly essential to ensuring that producer organizations remain members of the system, this is not so much about capacity building as it is about meeting the audit criteria. FLO could be doing more to support farmers with the training and technical assistance that they clearly desire. Unfortunately, the umbrella body may be moving in the opposite direction. In 2012-2013, the PSR was in the process of downsizing, according to the Head of the African PSR when I interviewed him in late 2012 (Interview G1 R16). He stated:

“The structure and mandate of the LOs has changed. Currently, FLO provides free follow-up services post-audit and is the only ethical label that does. But because of financial realities it is now questioning these free services. FLO’s policies are being affected right now.” (Interview G1 R16)

A few individuals I spoke with mentioned LO visits. While various union managers and leader spoke highly of their LO (Interviews G2 R5, G2 R7 & G2 R14), a KCU manager queried why there was not an LO in Tanzania (Interview G2 R5). Similarly, while the KDCU Fairtrade Manager told me that the LO from Kenya comes to visit frequently (Interview G2 R14), which I had not anticipated given their remote location, the union's General Manager said:

“We need our own Liaison Officer here in Tanzania.” (Interview G2 R12)

Producer organizations may decide to use their Fairtrade premiums for capacity building efforts, as found in previous research with Fairtrade Peruvian cocoa farmers (Sutton, 2010). It is up to producer organizations to determine how the premium can best be used to meet their needs; therefore, producers may elect to spend this money on activities related to capacity building such as training and technical assistance. As outlined in Chapter 5, farmers at KCU and KDCU democratically determine how to use their premiums funds and projects linked to capacity building have included extension support, quality improvement, diplomas, and equipment purchases. At the time of research, however, there was no similar evidence at KNCU as all premiums were being used at the union level.

7.2.4 Other External Organizations

ATOs and other organizations occasionally visit these unions and provide capacity building support. World Vision was present at many of KCU and KDCU's primary societies (Author's observations) and Oxfam Belgium was working with some primary societies in Bukoba (Interview G2 R24). The Export Manager at KCU told me that buyers used to visit KCU often to meet with producers but rarely do anymore (Interview G2 R5). He said that he was keen to figure out why this had changed and alluded to buyers only being interested in purchasing coffee, rather than developing relationships as they did when KCU first joined Fairtrade. An individual at KCU claimed:

“[External organizations] visit us. Next week there's a German group coming. TechnoServe comes to look at coffee quality and markets, transparency. But they don't run any projects here.” (Interview G2 R25)

Another KCU manager stated:

“People don't really come to visit anymore.” (Interview G2 R21)

I heard about visits from one organization in particular, Twin Trading, while at all three unions (Interview G2 R21 & G2 R27). Twin Trading has been involved with all three groups, and at KCU I learned about training that Twin Trading organized for farmers at 20 primary societies in past years. I had the opportunity to interview two key informants from Cafédirect, a UK-based ATO that used to be part of Twin Trading, in their London office (Interviews G1 R10 and R11). Cafédirect has purchased from KNCU, KCU and KDCU since the 1990s. One of these key informants referred to the unions as “partners, not just suppliers.” (Interview G1 R11) Cafédirect has set up a *Producer Partnership Program* that provides capacity building for producers. One respondent explained:

“[I]n order to really have a more sustainable business model, we need to build capacity and capabilities of these organizations and their members so that they themselves become more independent businesses in their own right.’ This feeds back as a win-win to Cafédirect because they become more reliable partners and produce better quality, on time.” (Interview G1 R11)

The TCB works with some external agencies to improve the coffee sector in Tanzania, through capacity building in many cases, and Café Africa, a Swiss non-profit organization, is one such example. I interviewed Café Africa’s Country Manager, who told me that a private consortium called the Coffee Partnership for Tanzania, with major funding, would soon be underway (Interview G2 R36). She noted that this group would aim to address some of the issues unearthed by a large-scale stakeholder analysis conducted by Café Africa, such as farmers’ complaints that all the coffee institutions are in Moshi and do not engage in adequate consultation with the farmers, as well as a lack of access to training and technical assistance (Interview G2 R36). She also stated that Robusta farmers, in particular, tend to get forgotten in these discussions that typically center on Arabica coffee. She highlighted the challenge of adding new institutions and programs without first addressing some of these problems.

While there were no examples of external organizations at Mamsera, G32 groups had benefitted from partnership with the NGO EnviroCare, who provided skills development on economics and administration at several primary societies as well as training through the Tanzanian NGO Umati, funded by its Japanese buyer Zensho.

7.3 Capacity Building and Female Participation

I raise the link between capacity building and female participation here, as producers frequently referred to education and training in response to my questions about women in co-operatives. Training for women, who might not otherwise have the opportunity to actively participate in their co-operatives, might be conceived of as a type of countervailing power if they have more of a voice in co-operative governance as a result. While I did not find any examples in this research, the women's committees that Marjurin (2012) encounters in her study on East African co-operatives provide strong examples of countervailing power.

Recent research on co-operatives in the global South has identified how the benefits of co-operative membership for women can be both monetary and non-monetary. Ferguson and Kepe (2011) find that women in Uganda report improved levels of confidence and negotiating skills, and preliminary findings in Hannan's (2013) research on Kenyan dairy farmers emphasize the important role of co-operatives in providing access to training and agricultural expertise for women. A comprehensive ILO publication on women and co-operatives in East Africa, including a focus on Tanzania, outlines how joining a cooperative "offers a means of exercising voice and accessing leadership roles that would otherwise not be open to women." (Marjurin, 2012, i) In Latin America and Asia, there are also examples of women's organizations within co-operatives, which exist to promote female participation and development in member organizations (Rawlings and Shaw, 2013).

In the EPG model, Fung and Wright (2003) primarily view equity as an institutional objective, or as a means to an end - with the end being stronger institutions. For this purpose, they highlight the importance of including disadvantaged individuals who are typically left out of deliberative group decision-making. They assert that this establishes new channels of voice for issues that concern participants, and that the quality of this participation may in turn be higher. Gender equity is one such example, and in this section I assess female participation. A key informant at FLO explained Fairtrade's role and objectives in facilitating female participation, referencing voice:

"We've got to recognize that co-operatives operate within the social norms of their countries, and we know many of those norms are male-dominated. We're

not going to change that, but we can make sure that we get the female voice through. We also know through international development best practices that investing in women has an impact on poverty alleviation, which is what Fairtrade is about. Whilst on the one hand we know we're not going to change social norms, what we have to try and do through our standards is make sure that we're encouraging transparency and democracy, and make it clear that we expect female representation.” (Interview G1 R10)

One challenge for co-operatives is that they differ from other businesses and face a dual challenge in terms of gender. They need to achieve gender equity as both (i) enterprises with management structures (ii) member-based organizations (Rawlings and Shaw, 2013). The unions in this study are also part of the Fairtrade system. As Fairtrade organizations, the FLO standards include basic criteria on non-discrimination that address gender, as per the ILO standards (Fairtrade International, 2011e). In 2013, FLO was also in the process of developing a gender strategy – clearly much-needed as a 2013 meta-analysis of the Fairtrade literature identifies a “lack of explicit gender strategies and implementation policies among Fairtrade institutions and producer and worker organizations.” (Smith, 2013, 103) This review identified a clear need for research on Fairtrade and gender, developing a conceptual framework for future work on the gendered effects of Fairtrade (Smith, 2013).

7.3.1 Barriers to Participation for Women

There are inequalities between women and men in most societies, related to their household roles, responsibilities, and decision-making opportunities (Smith, 2013). This is particularly true in the case of agricultural assets, which tend to be male-owned. Despite the ICA’s first principle on gender equity, gender is a governance challenge at many of the co-operatives studied; levels of female participation are low and co-operatives tend to be male-dominated. Women face many barriers to co-operative membership in Tanzania, and the barriers raised by respondents related primarily to land, culture, and household responsibilities.

Land ownership is not technically a requirement for co-operative membership in Tanzania, although members must own coffee trees; women can therefore, in theory, grow coffee on land leased from their husbands (Interview G2 R7). However, it is common for men to have privileged access to land in rural areas in the global South and Fairtrade may therefore be biased towards men to begin with (Smith, 2013). While women could not own land in Tanzania until nearly the twenty-first century, the

country's 1999 *Land Act and Village Land Act*¹⁷ permitted them equal access to land (Sundet, 2005). Gender activists lobbied for the inclusion of equality in this Act and one of this law's fundamental principles (Section 3 (2)) is "the right of every woman to acquire, hold, use, and deal with, land shall to the same extent and subject to the same restrictions be treated as a right of any man." (The United Republic of Tanzania, 1999) Despite this, for the most part there does not seem to have been a change in attitudes or practices. Men remain the typical landowners in Tanzania, and as coffee co-operative membership is limited to those who own the coffee plants, co-operative members tend to be men. As such, co-operative decisions are primarily taken by men, and women are often not eligible to participate in decision-making processes (Nippierd, 2001). This is despite the fact that women are predominantly responsible for coffee growing and care. Unfortunately, this is not unusual in the Fairtrade system as its focus on export crops can be biased towards men (Smith, 2013). Various interview and focus group respondents explained the challenge of land access for women in Tanzania:

"Women who own land are widows. It is not practised for women and men in the same house to own land." (Focus Group 1)

"There are not many women because women don't own farms. The husband can give his wife land but few do." (Focus Group 3)

"A husband needs to be dead for a woman to have an identification card." (Interview G2 R7)

One academic explained that land in Tanzanian is typically passed down to sons rather than daughters, due to patrilineal customs:

"This is an ethnic/customary issue. It's based on tradition. Land goes to the son. If it is given to the daughter land will shift to the other family and there will be conflict between her and the cousins or brothers." (Interview G2 R19)

In recent years there have been some union-led initiatives aimed at encouraging men to give their wives some of their land for coffee growing. This could allow women to get their own identification numbers and become members of the co-operative.

Respondents explained:

"Women have different identification numbers if they divide land with their husband, but this is rare." (Focus Group 1)

¹⁷ For a detailed overview of the 1999 Land Act, see Sundet (2005).

“Some men won't give them part of the land so they can become members. They don't understand that this is important; only a few do. Land belongs to men. Even if they give it to women it still belongs to men.” (Interview G3 R1)

“It is not possible to give land to women, according to tradition. So we are campaigning. Just give your wife 2 to 3 bags [of coffee] so she can become a member and have a right to vote.” (Interview G2 R14)

Culture, including gender-based norms and practices, also plays a strong role in determining coffee ownership and therefore co-operative membership. A meta-review of gender in the Fairtrade literature finds that gender norms can reinforce inequalities and create barriers to participation in organizations for women (Smith, 2013). I found this to be true in the case of Tanzania, despite the fact that women are primarily responsible for tending to coffee. Interview responses to my question about female membership that referred to the role of culture and gender norms included:

“Any Tanzanian can own land, but tribal and cultural factors limit women. We are trying to attract more women.” (Interview G2 R12)

“No there are few [women]. This is because of the culture and traditions of this area.” (Focus Group 1)

“Men are barriers, because there are so many of them.” (Interview G3 R13)

“Women can't have [a membership card] and a husband at the same time.” (Focus Group 3)

“If you take coffee to the primary society, it's under the husband's name and he gets to vote. Even though the women take care of the farms, family and everything. A husband needs to be dead for a woman to have [a membership] card.” (Interview G2 R7)

It is not uncommon for women to perform the majority of the work at Fairtrade coffee co-operatives; research in Latin America on Mexican and Guatemalan co-operatives has similarly shown that women often perform much more coffee labour than men (Lyon et al., 2010). The Chairman of the KNCU Board explained that women do 75 per cent of the coffee-related work: tilling the farm, putting manure down, picking coffee, and washing coffee - everything except pruning, which is considered a ‘man’s job’ (Interview G2 R31). Another key informant explained that women process and harvest the coffee, while men get the money (Interview G2 R6). A KNCU manager described the gender divide in the Kilimanjaro region:

“It's the background of Chagga men. Women take care of the farm. But the

husband is the owner of the coffee when it's time to sell.” (Interview G2 R7)

Another academic explained:

“The co-operative business is the man's business in Tanzania. They are the owners of the home. It takes time to change this. Coffee is sensitive. You're talking about man's work. Women have a big input so they should own it too. Both women and men participate from the beginning. But when it comes to reaping, it belongs to men. For men, this is 'my property'.” (Interview G2 R11)

The DCO stated that men also tend to dominate the meetings:

“Any meeting in our communities, men are many. Maybe because of tradition. Men take care of coffee. Inheritance is for men, not for women. Coffee means cash. Cash is only for men. But women do a lot of work. (Interview G2 R23)

I asked members of an all-female focus group (Focus Group 2) why it is good for women to be members of co-operatives. Their responses included:

“Women are more responsible for the family and take care of the coffee. We do all the work.”

“All the work is done by women. We prune and pick.”

“It is the woman who runs the farm.”

“Women take care of everything that has to do with coffee. I have to stay at home to take care of the children and the coffee.”

“Men are not at home all day. They have other business. My husband is in Dar es Salaam right now. He is always moving around doing business.”

Women in Tanzania have many household responsibilities including child rearing, food preparation, and water collection, which may challenge their ability to participate as active co-operative members. This is not uncommon, as women in many societies are responsible for reproductive activities including food preparation and childrearing (Smith, 2013). Fairtrade certification requirements may even intensify this workload, adding to women's work burden (Smith, 2013). As respondents explained:

“Women must stay at home to take care of the house.” (Focus Group 3)

“We need time for children, time to go to the farm. When the load becomes too heavy, I need assistance.” (Focus Group 2)

“I’m told when a woman is given land to farm she must be able to do it all herself. Also take care of the house and take the children to school, but how can she do it all? Some of them are not interested.” (Interview G2 R19)

Traditionally, women in Tanzania have taken care of banana crops, while men have been predominantly responsible for coffee (Interview G2 R7). However, in recent years the price of bananas has increased and men have become more involved in the crop. As respondents explained:

“Bananas were always for women, but now the price of a banana is increasing and the men say 'Today that banana is mine because the price is higher.'” (Interview G2 R7)

“There is an unwritten regulation among the Chaggas that land and coffee belong to men. Banana plantations and other products grown there have always been for women. But now banana as a business is changing peoples’ lives, because the price is so good. Now men also demand part of the banana proceeds.” (Interview G2 R19)

7.3.2 Female Members

Within global Fairtrade, approximately 73 per cent of the members in SPOs are male (Fairtrade International, 2011d). In most African countries women represent less than 30 per cent of members and account for a very low share of managers and elected leaders, and in the Kilimanjaro region, where KNCU is located, this drops to 9.4 per cent (Marjurin, 2012). In their research on a KNCU primary society, Donge and Mbeiyererwa (2011) found that female membership was low and attributed this to socio-economic factors including gender norms. In her paper on the gender impact of Fairtrade, Smith (2013) asserts that it is essential to attract more female members within organizations and to provide them with improved access to services, training, and markets as well as an enhanced voice in decision-making within their organizations. However, she identifies a vicious circle whereby “the male bias of SPOs and concomitant lack of gender-aware policies and services itself acts as a disincentive to women to participate, as they do not see the organisation acting in their interests.” (Smith, 2013, 110)

During interviews, I asked an open-ended question about whether there are many female members in the co-operative, as well as why or why not (Producer Questionnaire Q29). Of the 68 producers I interviewed, 36 said that there were many women. Most of these affirmative responses were at KCU and KDCU, whereas only four of 28

respondents at KNCU said yes. While some respondents said that more and more women are joining (Interview G4 R1, G4 R60 & G4 R62), others claimed that the only female members are widows who receive the farms from their late husbands (Interview G3 R37). Some respondents noted how essential training might be to this:

“Educated men will sometimes give women land, but there is not much training.” (Interview G4 R25)

“I got the coffee from my husband but he died and I don’t know how to plant.” (Interview G4 R62)

During an all-women focus group with female members of a KNCU primary society I had the opportunity to ask women if they contribute to the discussion in meetings. They all responded that they do at times, which supports the findings on bottom-up participation outlined in Chapter 6. However, they elaborated:

“We are given the opportunity to speak so we do sometimes. But it is mostly men who speak. Mostly men attend [the meetings].” (Focus Group 2)

“We should be given training. We were not given training. Maybe KNCU can give us training.” (Focus Group 2)

In my interviews with co-operative managers and leaders, a few referenced the need to ensure capacity building for women and mentioned a lack of confidence among women. The General Manager of KCU highlighted the importance of teaching women skills, such as public speaking, so that they might gain the confidence to participate in discussions:

“We are thinking of starting a project to empower women. We want to teach them how to talk in public, as they’re currently very shy. We have 375 delegates at the KCU AGM, so for a woman to speak up is difficult.” (Interview G2 R26)

The Export and Fairtrade Liaison Officer at KNCU conducts seminars every year at the primary society level and claims that she includes topics on gender sensitization and ‘the importance of having female members’ (Interview G2 R7). She explained that in the past men did not like to have female leaders, which may have acted as a barrier to female membership, and that it is therefore important to educate both men and women. She stated:

“We need to encourage women so that they can have the courage. We need

training for women to become members. Right now many of them don't have the courage to become members.” (Interview G2 R7)

The male General Manager at KDCU claimed that there had been a very big improvement in gender equity in the region in recent years. He attributed this to a series of workshops in 2005 on organizational strengthening. He also added that every job advert states that women are highly encouraged to apply (Interview G2 R28). The union’s Export Manager outlined gender equity sensitization projects, asserting that KDCU is trying to attract more women as members and leaders (Interview G2 R12). KDCU had recently recruited 11 Field Officers, five of whom are women (Interview G2 R28). KDCU’s General Manager stated:

“So there's an improvement. When you go to members there's a cultural issue (just like Bukoba). The man is the spokesman of the family. So he owns everything, including coffee. The wife and children are represented through a man's membership. Now we do sensitization to get men to give women coffee and now women are more involved. It's still lower than we'd like, but better than in the past.” (Interview G2 R28)

There is clearly optimism among both key informants and members that capacity building may serve to attract new female members, as well as to provide current female members with the skills they require to participate effectively.

7.3.3 Women as Leaders and Managers

The ILO Promotion of Cooperatives, 2002 (No. 193) states that “special consideration should be given to increasing women’s participation in the cooperative movement at all levels, particularly at management and leadership levels.” (Marjurin, 2012) In a meta-review of the literature on gender and co-operative leadership, Rawlings and Shaw (2013) identify a consensus in the literature on the developed world that there are benefits to having gender equity and diverse Boards. As an example, in their study on co-operative Boards in Norway, Matsa and Miller (2010) found that having equal numbers of men and women on the Board meant that decisions were more balanced. Despite this, women often still tend to be generally underrepresented in leadership positions, as a 2012 study of trade unions in the UK and US illustrated (Kirton and Healy, 2012). This study identified barriers for women including the gendered division of domestic work, the nature of trade union work, and the masculine culture that exists at many unions. Studies in Ireland and Italy also recognized time commitments at home as the main barrier to active participation for women (Rawlings and Shaw, 2013) and

Rawlings (2007) found that women in the UK co-operative movement reported that home responsibilities often kept them from advancing up the career ladder. Aside from these few studies, there is a disappointing lack of academic research on gender and leadership in co-operatives. However, Marjurin's (2012) recent work in East Africa outlines how Ugandan efforts to promote women's participation at the Board level are having an impact. In Malawi there have also been policies aimed at encouraging women to join Boards, and the success of these female leaders appears to be encouraging further participation from female members (Vicari and Borda-Rodriguez, 2013).

I asked women in an all-female Kilimanjaro focus group if it was good for women to be leaders (Focus Group 2). They all said that it was, and replied with:

"Women are more responsible for the family and take care of the coffee; we do all the work." (Interview G2 R13)

"It's important to have women in leadership positions because we are trustworthy and hard workers. Men are barriers, because there are so many of them. But they support us when they see us do well." (Interview G3 R13)

A female leader, who was the chairperson in Kyengia, KNCU, said:

"When women are promoted it is felt by the whole family. We need seminars and training for women leaders. It is difficult to become the female chairperson. More training will help us. If I get more training I can do better." (Interview G3 R1)

Similarly, A KNCU manager stated:

"We are trying to sensitize them to tell them that when they have an election they need to encourage women. We have 4 women who are chairs of primary societies but it's still few. But KNCU has improved and are also improving the number of women on the primary society Boards. However, there's still no woman on the KNCU Board, and there never has been." (Interview G2 R7)

Within Fairtrade, women are much less likely to act as leaders and managers than their male counterparts are (Le Mare, 2008, Lyon et al., 2010, Nelson and Pound, 2009, Nelson and Smith, 2011, Ronchi, 2002, Smith, 2010a, Smith, 2010b, Smith, 2013). Given the previously outlined barriers to female membership, it is not surprising that there are few female leaders and managers at Tanzanian co-operatives. Any woman interested in running for the Board requires her own membership identification number, which is clearly a problem for many women. In order to act as a leader or manager,

individuals must also be able to read and write. As I outlined in Chapter 5, this can limit many women who might otherwise be interested in leadership opportunities. A few respondents explained:

“You must at least be educated to be a leader. Capacity is a problem. You need at least Standard 7. There are no customs that limit us, we just need education.” (Interview G4 R18)

“Most of [the women] are not educated so they don’t see the importance. Even at meetings only a few will raise their hands.” (Interview G4 R35)

“I’m not educated so I wouldn’t do it. Maybe my children.” (Interview G4 R34)

“Women should be given training and education. Women should not stay at the back behind men. After that education we will have more women as leaders.” (Interview G4 R14, female)

I would like more education to become a leader.” (Interview G4 G13)

Some members claimed that women simply do not aspire to these positions, or referenced household responsibilities as a barrier. Additional reasons, although they did not come up during interviews, could include lower confidence levels or cultural attitudes towards women’s leadership abilities (Marjurin, 2012). I spoke with members of an all-female focus group about women in leadership. When asked to elaborate about whether or not there were women in leadership positions, they provided answers related to motivation, availability, and education:

“They are not motivated. They do not aspire to these positions. Also they are busy in the house. This might be one of the reasons.” (Focus Group 1, male)

“Sometimes when it’s time to take the election I am at home working.” (Interview G4 R14, female)

Despite this, I discovered a clear interest in accessing capacity building that might lead to opportunities for leadership. In response to a focus group question about what they would most like to learn, one woman responded:

“More education to become a leader and about the importance of being leaders.” (Focus Group 2)

Also, in response to my interview question about why they joined the co-operative, (Producer Questionnaire Q16) one woman said:

“Other women encouraged me. I want to be on the Board.” (Interview G4 R27)

Given the importance of culture and tradition, I asked women in a focus group (Focus Group 2) if their husbands would encourage them to be leaders. Of these six women, four said no. I asked them to elaborate and responses included:

“My husband wants me to stay home and take care of the family.” (Interview G4 R16)

“My husband wants me to feed the animals at home.” (Interview G4 R17)

The women who said yes explained:

“Before the husbands said the women should stay home, but not now.”
(Interview G4 R15)

“My husband supported me to run, but when I looked at the schedule I had no time.” (Interview G4 R18)

Quota systems, which allocate a minimum number of seats for female Board members, have been implemented in several European countries in recent years, although the evidence to date is mixed (Rawlings and Shaw, 2013). More relevant to this research on Tanzania is the fact that Kenya imposed a new State constitution in 2012 that requires women to make up one third of all elected bodies; this resulted in over 15,000 women joining co-operative Boards for the first time (Rawlings and Shaw, 2013).

Unfortunately, this is not accompanied by widespread training and there are fears that women will not have the skills, knowledge, and confidence to act as Board members and may be unable to fulfill the requirements (Rawlings and Shaw, 2013). Similar measures within the co-operative movement, as opposed to through legal requirements, have been undertaken in Uganda, with more encouraging results (Rawlings and Shaw, 2013). However, Smith (2013) warns that measures such as these can result in trivial changes, such as the inclusion of women on Boards, without any transformations in their influence or status. For this reason, Marjurin (2012) notes that quotas must be accompanied by efforts to build the capacity of potential female leaders.

KCU had a quota system in place within its union Board, and claimed to ‘recommend’ to primary societies that they should also have one female Board member in place. According to one manager:

“Things have changed in Tanzania; we have female [Members of Parliament] now. But it takes time. A woman can do the same job as a man. In Tanzania we have a lot of women who are managers. In the past, women couldn't even read.” (Interview G2 R4)

At the G32, the joint initiative of primary societies that separated from KNCU in 2003, there was still a lack of female participation. I was told:

“The problem is that education is low. A number of women are not ready to be challenged by the public, even if they have education. We need more training and encouragement for [women] to participate in leadership. It's to give them more encouragement to face the challenges.” (Interview G2 R17)

7.3.4 Signs of Change

While there are clearly many barriers for women in Tanzania, primarily related to land, culture, and household responsibilities, there are, optimistically, signs of change. This was particularly true at KCU and KDCU, where members seemed more knowledgeable about land ownership opportunities for women, and the importance of including women as members and leaders. There were also female Board members at the union level in these two cases, while KNCU had never had a female Board member. Some respondents at these unions referred to the impact of education on gender and land ownership issues, including:

“At the beginning because of male dominance [women] couldn't own property. Now because of education men are starting to know that women can own land. Also the law has changed.” (Interview G4 R31)

“Not as many women as men, but there are more now because people are more educated. The Board chair educated people.” (Interview G4 R33)

“There are more because members were educated about gender issues. In previous years men were alone. But now because of education women are coming.” (Interview G4 R64)

“Female membership has increased since men are getting educated on the importance of giving their wives coffee trees. They learn from KDCU. Now they give women coffee.” (Interview G3 R14)

I interviewed a female chairwoman at KDCU who had recently been elected to KDCU's Board. She stated:

“I was chosen and elected. I competed with men. They chose me because I'm trustworthy, and this is why they re-elect me. It's important to have women in

leadership positions because we are trustworthy and hard workers.” (Interview G3 R13)

In a Kasharu focus group in KCU, respondents told me that there were many women in their primary society. I asked if this was a good thing, and received the following responses (Focus Group 5):

“The founders were men but we've been motivated that, to be a good cooperative, men and women should share property (land). Not half-half yet but we are getting there. We are motivated.”

“It started with a female Board member and a Secretary-Manager and we saw that it was good. So now we want equality.”

Although not as obvious, there were some signs of increased female participation in KNCU as well. A manager at KNCU said:

“We have been doing some sensitization for the women to become members. In our area the custom is that the land is for the man so the coffee tree is for the man. It is a really hard job to sensitize the man to allow the woman to become a member of the society. But we are doing our best.” (Interview G2 R9)

As a Kibosho Central focus group member explained when I asked if there were many female members:

“At the beginning, coffee was only for men. Now that we have education about gender equality, women begin to turn up.” (Focus Group 1)

Some women in Kilimanjaro stated that their husbands had agreed to share land with them. As a member of a Kibosho Central focus group with women stated:

“I talked to my husband and he agreed to share his land. Some men agree, others don't. If only men have land there won't be gender equity.” (Focus Group 2)

The best example I found, however, was at Mamsera – the primary society that left KNCU in 2003 and is completely independent today. Mamsera's Secretary-Manager is a woman who is viewed as a strong leader. At this independent primary society, individuals claimed that male dominance is changing because people are being trained and learning that women have equal rights. Despite this, there are still issues that limit the opportunities available to women, and one of them was the role of the government. As one respondent explained:

“At last election we were supposed to have 50 per cent women on the Board, but many women didn't meet the criteria. You need to be a member and pay all shares. The District Cooperative Officer makes this decision.” (Focus Group 4)

This again indicates that government officials may be over-stepping their boundaries rather than ensuring independence and autonomy at these organizations. Without a shift away from the country's parastatal history, any type of change will be slow to come.

7.4 Conclusion

From these findings, capacity building appears to be key to the development of individuals as farmers, members, and leaders. Access to training and technical assistance can lead to improved farming, deepened member engagement, and access to leadership opportunities for those who seek them out. Capacity building therefore may serve to give individuals a voice within decision-making - both in the case of members as well as, more specifically, women. Women face many challenges within their co-operatives, and capacity building can serve to address some of these. Capacity building is therefore visibly a means for individuals to achieve more of a voice in decision-making, and may be conceived of as a type of countervailing power.

Unfortunately I discovered that very little capacity building is provided to individuals at these co-operatives. This is despite the fact that respondents expressed a clear interest in accessing opportunities for training in order to learn more about farming, become more involved as members, and, in some cases, become leaders. The unions provide limited capacity building support to farmers; where there is access to capacity building, it is happening primarily at the leadership level or with organic farmers. There is also a real lack of capacity building provided by the Ministry of Agriculture, Food Security and Cooperatives despite its stated aims – a gap which TaCRI is trying to address in its limited capacity. In terms of Fairtrade, FLO's capacity building efforts are concentrated primarily at the organizational level, as LOs are allocated according to organization. The unions, the government, the Fairtrade system, and external organizations could therefore play a more active role in providing members with training and technical assistance. This could in turn lead to higher-quality coffee as well as an enhanced voice in decision-making for members.

8.1 Introduction

This thesis has sought to contribute to the literature on Fairtrade co-operatives. The broad aim has been to explore individual participation in governance through a detailed exploration of Tanzanian unions. Above all, I have aimed to answer the main research question: *How does Fairtrade give producers a voice in decision-making?* This research question has allowed me to contribute to knowledge of Fairtrade's impact on governance by unpacking what is meant by 'voice', while at the same time disentangling the role of the co-operative model and the Fairtrade system in facilitating or impeding good governance. The previous three findings chapters have demonstrated the complexity of assessing genuine participation in decision-making at the level of the primary society and the union, and the research question has allowed me to explore some of the challenges of participatory governance as well as the role that Fairtrade might play in facilitating good governance through voice in decision-making. By framing the methodology according to existing literature on collaborative governance (Fung and Wright, 2003) and exit, voice, and loyalty (Hirschman, 1970), I have used a multiple case study to unearth interesting and novel findings grounded in prior research.

This concluding chapter demonstrates how the objectives of the research have been met through a discussion of the combined findings from the paper's three analysis chapters (Chapters 5, 6 and 7). In the first part of this chapter I summarize the findings, beginning with an overview of the contextual and literature review chapters. In the second part I list some of the limitations of this work while providing recommendations and ideas for future research. Overall, this dissertation makes an important contribution to academic fields concerning Fairtrade, co-operatives, governance, capacity building, and gender studies, and may be of interest to practitioners and policymakers engaged in work on Fairtrade, co-operatives, organizational governance, or agriculture in general.

8.2 Context and Literature Summary

Before discussing the findings, it is useful to provide a brief overview of the issues raised in the contextual and literature review chapters. Chapter 2 introduced Fairtrade

and co-operative governance, the theoretical framework of EPG (Fung and Wright, 2003) as it relates to Fairtrade co-operatives, and Hirschman's (1970) conceptualization of exit, voice, and loyalty as a means of exploring alternatives to participation. I demonstrated the suitability of EPG as a framework for unpacking the nature of producer participation and learning about collaborative governance at co-operatives. Through a review of the literature I found that, while FLO has demonstrated a commitment to improving producer participation and its structures appear to be evolving accordingly, much remains to be done in order to ensure that individual producers are genuinely engaged in governance.

Chapter 3 described the country context of Tanzania, both historical and contemporary, as well as the coffee sector. Tanzania's co-operatives have undergone many transformations throughout the past century, and the political landscape has played an enormous role in determining the evolution of the country's co-operative movement. Tanzania's co-operatives are part of the co-operative revival currently taking place on the African continent. However, while today's structures aim to facilitate independence and autonomy, in reality the government continues to play a major role in the sector. It remains difficult to tell if Tanzanian co-operatives have evolved from their colonial and nationalistic roots, comprising previous eras of high government intervention, or if they continue to be employed as tools of the government. Truly member-based co-operatives, while arguably the way forward, are not yet a reality in the country.

Finally, Chapter 4 outlined the methodology and its theoretical foundations, providing an overview of the multiple case study and the field research. The cases employed share some important commonalities while differing in terms of supply chains, leadership and management, and assets. Over the two-year research period, I held 139 interviews and five focus groups, engaged in direct observation of farmers' fields and homes, co-operative meetings, weighing stations, the coffee auction, factories, conferences, and Fairtrade premium projects, and reviewed documents such as membership lists and financial data. This data triangulation allowed me to effectively capture the perspectives of multiple stakeholders in order to tell the story of collaborative governance at these organizations and to learn more about how individuals participate in decision-making.

8.3 Main Findings

In this section I summarize the main findings from the research, which were provided in Chapters 5, 6, and 7. While in Tanzania I had the opportunity to present these results, either in whole or in part, to managers at all three unions, as well as academics and government officials, and the findings were therefore developed through dialogue with these individuals.

As seen in the structure of the three Findings chapters in this dissertation, I have divided this section into three parts based on the connections that emerged among the themes. The first subsection addresses Fairtrade's fit with EPG, the second explores opportunities for exit, and the third outlines how capacity building might strengthen EPG, enhance voice, or in some cases lead to exit.

8.3.1 Fairtrade and EPG

In Chapter 5, I mapped the field research findings onto the EPG framework in order to determine how well Fairtrade fits this theory of collaborative governance. I discovered that, overall, producers appear to be quite involved in decision-making processes at their primary societies. However, deliberation, devolution, and centralization vary across the unions and there are barriers to substantive participation in decision-making, particularly for women. There are communication challenges between the primary society and the union, as exemplified in the cases of (i) knowledge of Fairtrade and (ii) delayed payments. With regards to managers and leaders, high turnover, size, and trust/confidence all pose potential problems at the management level, and there are issues of trust in Board members at the union level (although not at the primary society level). Despite claims to independence and autonomy for Tanzania's co-operatives, there also remains heavy State involvement. The selection of Board members demonstrates a surprisingly high level of government intervention as well as criteria that could discriminate against women. Based on all these findings, I conclude that Fairtrade, in practice, may not meet EPG.

Given that EPG sets a high standard for Fairtrade, this is not entirely surprising. However, it is of interest because, as outlined in Chapter 2, FLO's literature describes Fairtrade as an empowering system that gives producers a voice; in contrast, the

findings from this research suggest that this may not be true in all cases. The potential identification of areas of weakness in Fairtrade's fit with EPG may therefore prove useful with regards to FLO's ongoing efforts to strengthen producer participation – examples of which include the ongoing evolution of the Fairtrade networks and increased producer representation in formal governance structures. As I outlined in Chapter 2, FLO has made changes to its governance systems in recent years, including 50 per cent producer ownership on the General Assembly, more producers on the Board, and enhanced support for regional producer networks and field Liaison Officers. Over time it will be interesting to see if these changes reflect more of the principles found in a collaborative governance model.

It is difficult to pinpoint an exact cause behind the lack of EPG at the three Tanzanian unions. One challenge is that it can be very difficult to disentangle the effects of Fairtrade from the effects of the co-operative model. By saying that Fairtrade does not meet EPG, one is also saying that the co-operatives do not meet EPG; in many cases, this lack of fit actually has nothing to do with Fairtrade. For example, I identified trust in management and the Board as problematic at the unions, and I found high State intervention (leading to potentially unfair Board elections) to be a factor leading to distrust in these leaders. This is, in large part, due to the historical evolution of the co-operative movement in Tanzania and the lack of fit with EPG is unrelated to Fairtrade membership. It would therefore be erroneous to claim that Fairtrade does not facilitate EPG without unpacking the complexity behind this. However, there are repercussions for the Fairtrade system, such as producer knowledge of Fairtrade or the methods for premium allocation, if the co-operative is not proving collaborative in nature.

There are important implications for the Fairtrade system's effectiveness should collaborative governance not be realized at these co-operatives. Overall, I found that Fairtrade is not having its desired impact in the case of Tanzania's unions. With regards to price, it is difficult to determine how much of the Fairtrade price goes to farmers, as the price is paid to the union rather than the individual primary societies. However, it is clear from interviews and the literature that the Fairtrade price alone is not enough of an incentive for farmers to sell solely to the primary society and not stray to competitors. The Fairtrade payment does not necessarily provide farmers with an attractive alternative to private buyers, mainly due to the fact that the unions are unable to sell the bulk of their coffee as Fairtrade and often sell this coffee at a lower price to non-

Fairtrade buyers - despite all of the union's coffee being grown to Fairtrade standards. Given the stringent standards imposed on co-operatives by the Fairtrade system (such as environmental sustainability, democracy, transparency, and the abolition of labour abuses), this raises the question of whether or not Tanzania's farmers are truly benefitting from Fairtrade. If they are not, there could be a reduced incentive for them to participate in Fairtrade decisions, such as those related to Fairtrade premium usage.

There are several reasons why I argue that farmers stand to benefit from Fairtrade, even when the co-operative's price does not provide an attractive alternative to private buyers. Firstly, the Fairtrade price has a positive impact on farmers when world market prices are down. In this situation, although the union would still be challenged by its inability to sell all of its coffee as Fairtrade, the price differential from the proportion sold at Fairtrade's minimum guaranteed price provide a healthy cushion to farmers. Secondly, contracts with Fairtrade buyers provide a guaranteed purchasing arrangement at the auction; companies agree to buy set amounts of Fairtrade coffee in advance from the union and either attend the auction or ask the union to purchase for them as per a pre-arranged contract. This can provide some stability when competition is fierce. Thirdly, and arguably most importantly, the Fairtrade premiums can contribute greatly to community development. This latter benefit does, of course, vary according to how the premiums are allocated at the unions. As farmers at KCU and KDCU receive Fairtrade premiums at the primary society level, there are clear benefits emanating from the Fairtrade premium usage. However, KNCU's primary societies are not currently benefitting directly from Fairtrade membership at the village level, as the premiums are being used solely at the union level. While this is not necessarily a fault in the Fairtrade system, as KNCU employs a 'democratic' process in order to decide to use premiums at the union level, it should nonetheless be of interest to those engaged in Fairtrade. When the benefits of the Fairtrade system such as the Fairtrade premiums are felt, as in the case of KCU and KDCU, there may be more of an incentive for farmers to remain with the co-operative and engage in decision-making. The Fairtrade premium can therefore induce farmers to stay with the co-operative and participate in related decision-making. In Table 20, I briefly summarize premium distribution at the three unions.

Table 20: A Cross-Union Comparison of Fairtrade Premium Spending

Union	Premium Distribution	Premium Spending	Characterized by
KNCU	Union level	-Union-level spending including the Fairtrade Coordinator position, fees for foreign exchange account, attendance at events such as coffee exhibits, and a union-wide orphans project.	- High centralization - Low farmer knowledge of premiums and premium spending - Low incentive to engage in decision-making - Low potential to exercise voice
KCU	Primary society level (equitably)	-Society-specific projects including buildings for meetings, schools, machines, electricity, hospitals, security, shops, toilets, improved health facilities, infrastructure, and clean water. -Union-level projects including increased ownership of the instant coffee factory and an internal loan scheme for members.	- Low centralization - Moderate to high farmer knowledge of premiums and premium spending - High incentive to engage in decision-making - High potential to exercise voice
KDCU	Primary society level (by coffee quantity harvested)	-Society-specific projects related to education, training, store repairs, new rainwater collection tanks, a dispensary, warehouses, and the purchase and distribution of new coffee seedlings. - Union-level projects including the curing factory, a secondary school for children of KDCU members, a pine forest, water tanks at the factory, watchmen offices, equipment such as dryers, and sending employees to school for a certificate or diploma.	- Low centralization - Moderate to high farmer knowledge of premiums and premium spending - High incentive to engage in decision-making - High potential to exercise voice

Source: Author's own

8.3.2 Voice and Exit

Producers who do not feel that they can exercise voice in their co-operatives may choose to exit the organization, as discovered in the case of the G32. The G32 can be viewed as one type of the countervailing power that Fung and Wright (2003) deem

essential to EPG. In the Kilimanjaro region, this oppositional force today exists as a challenge to KNCU and an alternative that is available to the union's members. The findings imply that for multiple reasons, potentially including high coffee quality, decentralization, a departure from Fairtrade, more female members, and local-level access to transport and loans, the G32 and Mamsera may be better off without the union. This is primarily because they pay farmers a higher price, demonstrate more social projects (in the case of Mamsera), and in general offer producers better opportunities. From the findings it is clear that the G32 members achieved more of a voice when they left KNCU, and that the Mamsera members achieved more of a voice when they left the G32. Capacity building played a role in facilitating this exit process as these groups benefited from MEMCOOP's capacity building efforts aimed at empowering members (as previously outlined in Chapter 3). Capacity building may therefore foster exit when EPG is not being realized and there are better alternatives available to individuals. There are, of course, implications for Fairtrade, as these groups also left the Fairtrade system when they parted from the union. However, this does not necessarily indicate that all farmers would be better off without Fairtrade. While the G32 presents an attractive alternative for primary societies in the Kilimanjaro region, a similar option for KCU and KDCU's farmers does not exist. As I argued in Chapter 5, KCU and KDCU's farmers may therefore stand to gain more from the union, and resultingly from Fairtrade, than they would as independent societies.

In contrast, the primary society as an independent entity appears to be a more effective model in the case of KNCU. Overall KNCU is considered the most problematic of the three unions, due to problems with mismanagement and corruption at the primary and secondary level, a disconnect between the primary and secondary societies leading to a failure of collaborative governance between these two levels, the manner in which the Fairtrade premiums are distributed, and the recent scaling back of union field officer support for farmers. While there are cases where KNCU farmers exercise their voices effectively, especially when groups have access to capacity development, the findings demonstrate that this is less likely at KNCU than it is at KCU or KDCU. Although KCU and KDCU have their own issues with poor governance, delayed payments, and competition, their primary societies rely strongly on the unions for marketing and transport in their remote regions of dense competition. Therefore, for both KCU and KDCU, farmers appear to benefit more from the union than they would without it. In

this case, one could expect capacity building to strengthen producer voice rather than lead to exit as in the case of the G32.

The external environment also challenges voice. Since the liberalization of the 1990s, private buyers in Tanzania have offered alternatives to the co-operative model. While farmers understand the risks of selling to buyers, and the potential long-term consequences such as the conceivable collapse of co-operatives, at times they feel as though they have no other choice. Competition is particularly fierce in the Karagwe region where KDCU's farmers are located, although farmers at the three unions reported having been approached by private buyers. As previously mentioned, in all three regions the Fairtrade price does not appear to act as a deterrent to selling to private buyers and does not create a barrier to individual exit for farmers. Therefore, competition may impede the potential for EPG to be realized; should the unions collapse, especially those that are most-needed such as KCU and KDCU, the structures for collaborative governance will also disappear. Given this threat, a partially-realized EPG model could prove more beneficial than the dissolution of these unions altogether, as farmers recognize that private buyers will cease to offer competitive prices if the co-operatives crumble. Farmers understand that their co-operatives will fail over time if they cease to sell to them, and therefore tend to 'stick it out' with the co-operative despite one-time higher offers from private buyers. Those who reported selling to competitors were often hesitant to mention this and typically explained that they desperately needed the cash for an essential item such as medicine. While competition has the potential to undermine collaborative governance, farmers tend to remain with the co-operative for a multitude of reasons related to co-operative spirit and history, a fear of co-operative dissolution, and the benefits of Fairtrade such as the premium.

8.3.3 The Role of Capacity Building

Overall, I discovered that more capacity building is needed and that capacity building can serve to both foster exit and enhance voice. In terms of the former, as previously outlined in the discussion of the G32, capacity building can provide individuals with the skills and knowledge they require to seek out better alternatives should they cease to benefit from the union. Alternatively, capacity building can benefit individuals as both farmers and members. Capacity building for farmers, such as access to training and technical assistance about coffee, can lead to quality improvements resulting in increased yields or better prices. This is clearly important to these individuals who

depend on farming for their livelihoods. Individual capacity building may provide a means of arming people with the skills and knowledge they need to engage more fully as members or access leadership opportunities. Capacity building is therefore visibly a means for individuals to achieve more of a voice in decision-making, and may be conceived of as a type of countervailing power.

Farmers at the three unions receive training from various sources, including union field officers, the government, and the Fairtrade system; however, these groups tend to provide little support to individual producers. The unions provide limited capacity building support to farmers; where there is access to capacity building, it is happening primarily at the leadership level or with organic farmers. Organic farmers at KCU and KDCU, in particular, benefit from strong capacity building support from union field officers. They receive regular visits from union extension officers and appear to be privileged in the delivery of training. This is due to IMO standards that require one field officer for every 500 organic farmers – a requirement that one could imagine benefitting Fairtrade farmers if FLO had a similar standard. There is also a lack of capacity building provided by the Ministry of Agriculture, Food Security and Cooperatives despite its stated aims – a gap that TaCRI is trying to address in its limited capacity. In terms of Fairtrade, FLO's capacity building efforts are concentrated primarily at the organizational level, as Liaison Officers (LOs) are allocated according to the number of organizations. One of the major problems I identified is that there is no LO in Tanzania, despite the fact that Tanzania is the largest nation of Fairtrade producers in the world (FLO 2012 M&E). While there is a high potential for Fairtrade to provide effective capacity building, this unfortunately proved weak at all three unions.

I also find that capacity building can serve to reduce barriers for women. As seen in Chapter 7, women face many challenges within their co-operatives, primarily related to land ownership, cultural norms, and household duties. Education and training for both women and men can serve to address some of these barriers. Capacity building is particularly important for female co-operative members and emerged from interviews as essential to the development of women as members, managers, and leaders within co-operatives. Training for women, who might not otherwise have the opportunity to actively participate in their co-operatives, can be conceived of as a type of countervailing power if they have more of a voice in co-operative governance as a result.

Based on these findings, I can generally conclude that Fairtrade gives producers a voice in decision-making when (1) **governance structures are collaborative** and (2) **producers have substantial and equal access to capacity building**. Only then might it be possible to say that individual producers genuinely participate in decision-making at Fairtrade co-operatives. Without collaborative governance structures in place, it is conceivable that Fairtrade may fail in its efforts to facilitate producer participation. This is certainly true in the case of Tanzania's Fairtrade coffee farmers, and there are lessons here for other agricultural co-operatives in the country, such as those working outside of the Fairtrade system or with other commodities. While I do not attempt to claim that these findings hold true for all farmers around the world, one can imagine similar situations in neighbouring African countries with similar histories, colonial roots, and ever-evolving organizations in the current co-op renaissance on the continent.

8.4 Policy Implications

Based on these findings, there are implications for practice. Some general recommendations from this research, which may be of use to anyone engaged in work with Fairtrade or co-operatives, are listed below.

Recommendation 1: Increase capacity building support

Above all, these findings are relevant with regards to the capacity building efforts that FLO and other external organizations engage in. Individuals require support as both farmers and members, and capacity building can help to strengthen both roles. This is particularly true in the case of non-organic farmers, who receive less capacity building support than their organic counterparts, and women, who experience high barriers to participation in co-operatives. All of the organizations listed in Chapter 7 could be doing more to provide capacity building support. As tangible examples, the unions could hire more field officers for non-organic farmers, the Tanzanian government could fund more field officer positions, and the Fairtrade system could require one field officer for every 500 farmers, as seen in the IMO organic standards. Enhanced capacity building could also allow producers to improve the quality of their coffee, which is essential to their livelihoods, as well as to participate more fully as members and potential leaders in their organizations.

Recommendation 2: Target the primary co-operative

This is of particular importance in countries such as Tanzania, where the unions can comprise over 70,000 farmers. As outlined in the findings, there is often a lack of communication between the union and the primary, and benefits provided at the union level do not necessarily filter down to producers. A good example of this is FLO's LO program. By allocating LOs according to the number of organizations rather than individual members, the system may be missing out on an important opportunity to provide capacity support to producers. Instead of the current approach, which is based on the rationale that certification occurs at the union level, LOs could be assigned based on the number of producers in a given country. Tanzania, as the country with the highest number of Fairtrade producers in the world, would stand to clearly benefit from this. It could also be mandatory for the unions to distribute premiums amongst the primaries (avoiding a situation such as the current one at KNCU where premiums have been used solely at the union level for the past four years). In addition, if the primaries had the capacity to sell their coffee directly at the auction (as seen in the case of Mamsera), they could experience the benefits of the Fairtrade payment first-hand; of course, this would not work in all cases as the primaries often rely on the unions for marketing and transport. While the union can have an important role to play, as seen in the case of KCU and KDCU, any efforts aimed at increasing producer involvement in governance must target the primaries.

Recommendation 3: Understand and address group and individual exit

Little research has been undertaken on the G32 and the groups that exited KNCU, and there remains a great deal to be learned from these cases. Further research and an enhanced understanding of the impetus for the departure, as well as the post-departure success, of the G32 and Mamsera could be beneficial to individuals belonging to these groups as well as those who still belong to the union. Similarly, individual exit through sales to private buyers arose as a major challenge to the union and the primary societies, and any groups working with these farmers, be they Fairtrade organizations, NGOs, or government organizations, could benefit from a deepened understanding of the current and potential threats posted by individual exit.

Recommendation 4: Consider heterogeneity and diversity

While Fairtrade targets small-scale producers as a marginalized group, there are intersectional categories, such as women and non-organic farmers, for whom differing degrees of support may be required. Fairtrade should learn more about heterogeneity and diversity among producers in order to provide strong support to individuals and to address specific needs. This dissertation's overview of access to opportunities for women, as well as the advantages available to organic farmers, provides clear evidence of this. Similarly to the approach taken here, future explorations or monitoring activities (such as those undertaken by Fairtrade International) could seek to learn more about gender equity in different cultural contexts by over-sampling women, using focus groups where appropriate and preferred by respondents, and considering the role of the environment, such as who is listening in nearby. As I outlined in Chapter 4, there are cases where a lack of privacy may affect responses and the cultural context is therefore an important consideration.

Recommendation 5: Embrace countervailing power

The G32 and Mamsera may be considered a form of countervailing power as they now create an oppositional force to KNCU. In addition, capacity building support may act as a type of countervailing power by arming individuals with the information they need to have a voice in decision-making, as seen in the case of MEMCOOP support for G32 primary societies. Additional forms of countervailing power (such as women's groups, for example) should be sought out and embraced, as these may also serve to strengthen the unions as anticipated in Fung & Wright's (2003) EPG model.

Recommendation 6: Continue to support independent research

Further independent academic research is required in order to better understand the nature of governance at Fairtrade co-operatives. A larger scale investigation, involving a comparative case study of Fairtrade governance across various countries and commodities could serve to determine whether or not my findings hold true for co-operatives outside of the three unions featured herein. As an alternative approach, randomized quantitative surveying of farmers, using a non-Fairtrade control group, could allow for a larger sample size and an increased breadth of responses. A longitudinal approach could also shed some light on the impact of Fairtrade and the

evolution of governance structures over time. Further research into additional aspects of Fairtrade, such as access to advanced credit, transparency and accountability, environmental sustainability, and gender equity, is also required. Finally, EPG provides a novel framework for assessing the nature of governance within Fairtrade, although it does have its limitations. This theoretical framework may be useful to others conducting similar research, or those involved in developing Fairtrade policies and standards.

8.5 Limitations

This study comprises some shortcomings and limitations, which further resources related to time and funding could have served to address. Firstly, while I interviewed 139 individuals involved in Fairtrade co-operatives, this is a relatively small sample of the population and, as a result, these results may not be representative of the entire organization. A larger sample size could have been possible with additional resources and interviewing more producers, in other localities and organizations, could be a highly beneficial means of testing the findings. Nevertheless, while the sample size in this qualitative research was relatively small, I anticipate that the richness and depth of these interviews offset this.

Secondly, this research alone is not a sufficient means of determining causality and creating generalizations about these findings. Therefore I recognize that, while I can draw conclusions about Tanzanian coffee co-operatives, it is difficult to determine whether or not this holds true for other countries and commodities. As a further hindrance to this, this research was interpretive in nature: there was no control group such as a non-Fairtrade co-operative, and this study's selection criteria prevented it from being randomized.

Thirdly, I used only the procedural elements of EPG to analyze and report the findings, and did not assess institutional objectives here, aside from a consideration of gender equity. An exploration of the institutional objectives would have been better suited to a longitudinal study, which could be an option for future research. Had I instead visited the unions before they joined Fairtrade or before the breakaway groups departed, and returned later to learn about the evolution of the decision-making process of these groups, I would be in a position to comment on institutional change. However, this

research is based on a ‘snapshot in time’ and does not allow me to assess EPG at this level.

Finally, there are limitations to any research project such as only being able to interview those who give consent, those who are accessible, and those who have the time to be interviewed – not to mention my role as an outsider. As such, it is possible that I missed other problems within the unions I studied. Chapter 4 further outlined some of the methodological limitations.

8.6 Conclusion

In conclusion, Fung and Wright’s EPG model provides a framework for unpacking the nature of individual producer participation and allows for a better understanding of collaborative governance. Based on the findings outlined herein, I can generally conclude that Fairtrade gives producers a voice in decision-making when governance structures are collaborative and producers have substantial and equal access to capacity building. Only then might it be possible to say that individual producers genuinely participate in decision-making at Fairtrade co-operatives. However, when individuals do not feel as though they have a voice, exit becomes a viable alternative.

This dissertation studies voice, choice, and governance in the case of Tanzania's Fairtrade coffee co-operatives. Its contribution to academic fields concerns the complex task of facilitating ‘stronger voices’ within Fairtrade while touching on areas such as governance, capacity building, and gender studies, and it should be of interest to practitioners and policymakers engaged in related work. Further research is needed in order to learn more about whether or not these findings hold true for additional commodities in other countries.

APPENDICES

Appendix 1: Research Map

H I S T O R Y	Research Element	Research Focus and Objectives	Key Methods	Theoretical considerations
	Context	Focus: Participation and representation in the international development context Research objectives: To set the experiences of rural producers in a socioeconomic context	-Systematic Literature Review	- Development studies - Sociology - Political Economy - Gender studies - Postcolonialism
	Setting	Focus: Fairtrade Co-operatives Research objectives: To determine whether current conceptualizations of participation, representation and empowerment adequately explain producer experiences	-Systematic Literature Review -Key informant interviews	- Development studies - Co-operative theory - Fairtrade literature - Sociology - Political Economy - Feminist theories
	Situated Activity	Focus: Tanzanian Fairtrade Coffee Co-operatives Research objectives: To examine the opportunities for participation in decision-making, while considering exclusion from these processes	-Systematic Literature Review -Key informant interviews -Document review	- Agricultural Co-operative theory - Fairtrade literature - Sociology - Anthropology
	Self	Focus: Experiences and perceptions of the participants of the study Research objectives: To examine the manner in which Fairtrade enables voice in decision-making	-Interviews -Observation -Focus Groups	- Co-operative theory - Collaborative governance theories - Exit, voice, and loyalty theory

Source: Author's own based on Layder (1993)

Appendix 2: The ICA's Seven Co-operative Principles

Principle	Description
1st Principle: Open and Voluntary Membership	Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
2nd Principle: Democratic Member Control	Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.
3rd Principle: Member Economic Participation	Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.
4th Principle: Autonomy and Independence	Co-operatives are autonomous, self-help organisations controlled by their members. If they enter to agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.
5th Principle: Education, Training, and Information	Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.
6th Principle: Co- operation amongst Co- operatives	Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.
7th Principle: Concern for Community	Co-operatives work for the sustainable development of their communities through policies approved by their members.

Source: International Co-operative Alliance (2012)

Appendix 3: Fairtrade Africa

This producer network is open to all Fairtrade Certified producer organizations on the continent, including hired labour situations, and comprises regional organizations in the north, east, west, and south of the continent. There are also product groups for coffee, cocoa, and tea, as well as country partnerships that aim to allow organizations in various regions to create a more unified voice. Fairtrade Africa (2011a) claims to work through primary structures such as product groups, country partnerships, and regional networks which “enable our members to have a strong voice in the governance and management of the organization.” According to FLO (2013b), Fairtrade Africa has grown consistently to become a major stakeholder within the Fairtrade system. Today 59 per cent of all Fairtrade producers and workers live in Africa (Fairtrade International, 2012b). As of December 2012, Fairtrade Africa comprised over 700,000 farmers and workers at 300 organizations, selling 47 products from 29 countries (Fairtrade Africa, 2011b). In 2011, Fairtrade sales revenue on the continent, for both farmers and workers, increased to USD \$175 million. On top of this, producers received more than USD \$18 million in Fairtrade premiums. Of the ten largest Fairtrade producer organizations in the world, nine are in Africa and seven are in East Africa (Fairtrade International, 2012b).

Fairtrade Africa was born out of the East Africa Fairtrade Regional Coordinating Body that began in 1999 and was formed by Tanzania, Kenya, Ethiopia, Uganda, and the Democratic Republic of Congo (DRC). Rwanda and Ghana joined in 2003 and the group became the African Fairtrade Network in 2005. The network’s first members’ meeting took place in Moshi, Tanzania in June 2006, and the name was changed in 2010 in order to reflect the network’s strong affiliation with the Fairtrade International system. According to FLO (2013b), Fairtrade Africa exists to do the following: ensure that Fairtrade standards and policies reflect the needs of its members; increase member productivity and capacity through technical, organizational, and financial support; fuel intra-African trade through networking and partnerships; and promote trade justice in Africa. Regular operations are overseen by a steering committee, and policy and governance decisions are made every two years at the Regional Producers’ Assembly (Bennett, 2013).

A steering committee is responsible for basic duties and a Regional Producers’ Assembly is held biannually where policy and governance decisions are made. The Secretariat is located in Nairobi, Kenya and a Fairtrade Africa Forum for producers and stakeholders takes place annually. A Members Meeting held every two years is the highest decision making body, where members have the right to participate and vote for the election of the Fairtrade Africa Board through their regional representatives. The Board comprises one representative from each regional network and one elected member to represent Fairtrade Africa on the Fairtrade International Board. As of 2013, Fairtrade Africa was in the process of linking up with FLO’s Producer Support and Relations Unit (PSR) to form a new strategy partnership called Team Africa.

Appendix 4: The CLAC as Countervailing Power

One example of a countervailing power in Fairtrade is the CLAC, the regional producer network in Latin America and the Caribbean, and its recent development of a Small Producer Symbol through FUNDEPPO (Foundation of Organized Small Producers). The CLAC has unique roots and came into existence prior to the creation of FLO, with origins in the Latin American Network of Small Coffee Producers and the Latin American Network of Beekeepers. The CLAC was developed in 1996 in order to protect the interests of small farmers in the region, and became legally registered in 2004 (CLAC, 2012). This network consists of nearly 300 small producer organizations in twenty countries of the region and estimates that the number of families of affiliated small producers exceeds 200,000 (Fairtrade Canada, 2012).

The CLAC is typically viewed as the most political of the three producer networks, and only allows small organizations to become members (as opposed to Fairtrade Africa and the NAPP, which include hired labour members). The network's mission is aimed at strengthening the development of democratically organized small producers and their grassroots organizations, whilst engaging in advocacy and promoting products from these groups (CLAC, 2012). As the CLAC's Coffee Network (Red Café) noted in a 2011 position paper opposing Fair Trade USA's decision to allow coffee plantations, Fairtrade does not benefit all small producers who participate in the system and there remains a great deal to be done to strengthen and improve the position of these farmers (CLAC Red Cafe, 2011). Barrett (2010) observes: "The CLAC is just the kind of provocative organization of co-ops that one would hope would emerge in the fair trade movement as it matures. It is a reflection of the movement's success in creating a self-reflective and self-critical democratic landscape that brings producers, and I would argue co-ops, to the fore."

Interestingly, and somewhat controversially, the network recently created its own identification symbol within Fairtrade: the Small Producer Symbol. This certification mark is designed to distinguish products from small producer organizations on the market and Reynolds et al. (2007, 229) note that it is "a move intended to validate the position of small producers in Fair Trade." In order to establish this mark and guarantee its appropriate usage, a foundation named FUNDEPPO (Foundation of Organized Small Producers) was created. The symbol is also now available to organizations in Africa and Asia, as well as several countries in the global North. This symbol is, in many ways, designed to challenge those "powerful actors with privileged access to decision-making venues" that Fung and Wright (2003, 260) reference.

Appendix 5: Tanzania Country Overview

With a population of 44 million, life expectancy of 58 years, a per capita Gross National Income of US\$1,328, and a maternal mortality rate of 790 per 100,000 live births in 2008, Tanzania ranked 152 of 186 countries on the UNDP's 2013 Human Development Index (UNDP, 2013). In 2007, 37.4% of the rural Tanzanian population was below the national rural poverty line; the national average was 33.4% (World Bank, 2012a). Despite being one of the poorest countries in the world, due to strong gold production and tourism Tanzania averaged 7% GDP growth between 2000 and 2008, and annual GDP growth was 6% annually between 2009 and 2011 (Central Intelligence Agency, 2012).

Located in Eastern Africa, Tanzania borders the Indian Ocean between Kenya and Mozambique. The country's climate ranges from temperate in the highlands to tropical along the coast, and the highest elevation point of 5,895 meters is at Mount Kilimanjaro, the continent's highest point. There are two main seasons: the long rains (*masika*) in March to June, and the short rains (*vuli*) from October to January. The country's natural resources include iron ore, tin, coal, diamonds, gemstones, gold, and copper. Kiswahili, the mother tongue of the Bantu people who compose 95 per cent of Tanzania (and consist of over 130 different ethnic groups), is one of two official languages. The second is English, which is the primary language of commerce, administration, and higher education.

In 2012 Tanzania hosted over half a million refugees, more than any other African country, primarily from the Democratic Republic of Congo (DRC) and Burundi. Forced labour and human trafficking are rife, with girls often forced into domestic service or prostitution, and boys typically engaged in forced labour on farms or in mines. This clearly illustrates the importance of labour standards and the ongoing monitoring of these practices for Tanzania's natural resources through schemes such as Fairtrade. Fairtrade standards in Tanzania currently pertain to coffee, tea, flowers, and cashews, and the Fairtrade Gold program is in the process of expanding into Tanzania.

President Jakaya Kikwete, the country's fourth democratically elected leader, has been in office of the United Republic of Tanzania since 2005 with the Chama Cha Mapinduzi or CCM (Revolutionary Party), and from 2008 to 2009 acted as Chairperson of the African Union. While Kikwete's government has been praised for fighting corruption, investing in education, and developing national voluntary HIV/AIDS testing, there remains ongoing corruption and nepotism. Tanzania received a score of 33 on Transparency International's 2013 *Corruptions Perceptions Index* (where 0 means that a country is perceived as highly corrupt and 100 means it is perceived as very clean), placing it 111th out of 177 countries in terms of perceived levels of public sector corruption (Transparency International, 2013).

Appendix 6: SWOT Analysis of the Tanzanian Coffee Sector

Strengths	Weaknesses	Opportunities	Threats
Abundant suitable land for coffee production	Low productivity	Tanzania is in Colombian mild group	Climate change/Weather fluctuations
Favourable growing conditions	Inadequate extension and advisory services	Potential to gain price premiums	Increasing costs of inputs
Excellent potential coffee quality	Inadequate credit and supply systems	Coffee is traded in USD	Outbreak of new pests and diseases
Availability of improved coffee varieties resistant to CBD, CLR, and CWD	Unstable local currency	Extend stakeholder funding of shared functions in the industry	Fluctuations of world coffee market prices
Liberalized coffee market	Poor infrastructure	Potential to develop washed Robusta	Emergence of additional certification standards
Willingness of stakeholders to support and fund coffee research	Inadequate dissemination of market information	Potential to increase local consumption	Competition with other crops
Political stability	Business environment can be improved	Training of institutions on crop husbandry	High interest rate

Source: TCA & TCB (2012)

Appendix 7: Arabica and Robusta Coffee Processing

KNCU's Arabica farmers use the wet process for their coffee, while KCU and KDCU's farmers use dry processing for their Robusta and hard Arabica coffee. In most cases, a curing company then husks the coffee, which entails removing the shell over the green bean, before sorting and grading the coffee. This diagram outlines the two processes:

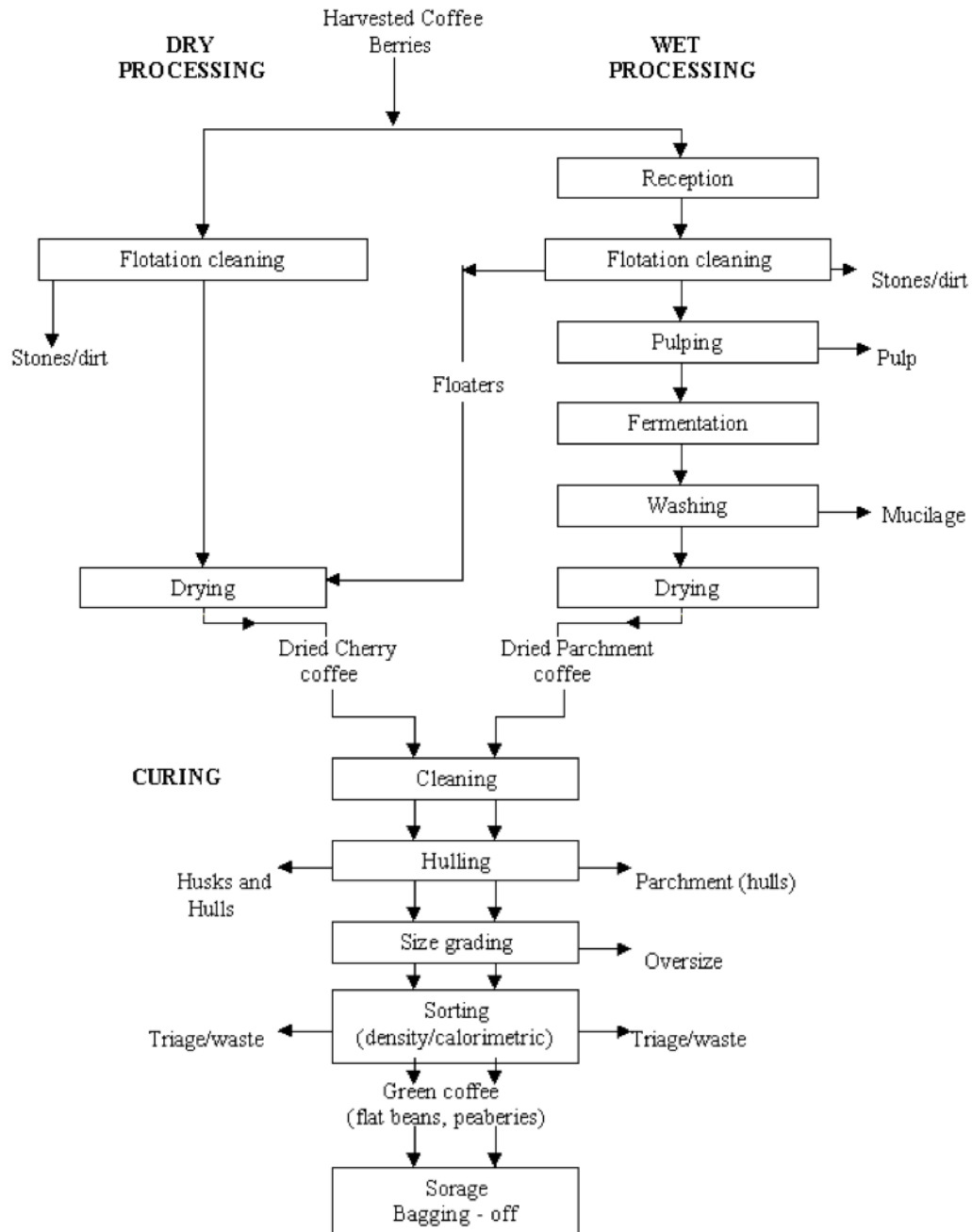


Fig. 2. Flow sheet illustrating the stages of wet and dry processing of coffee

Source: Food and Agriculture Organization of the United Nations (2000)

Appendix 8: The Moshi Coffee Auction

The coffee auction occurs every Thursday morning in Moshi's Kahawa (Coffee) House. The Tanzania Coffee Board (TCB) administers the auction and distributes information on suppliers, grades, and volumes ahead of the auction. Buyers also receive graded samples ahead of time (determined by the TCB based on quality, moisture content, and the size of the bean) that they test in their own coffee cupping labs. Even coffee that owners intend to export themselves must go through the auction. Coffee is traded in dollars and a reserve price is set by the TCB in accordance with futures markets. Final bids must be higher than this reserve price and these bids are made during a silent auction. Companies purchase coffee by the bag (equivalent to 60 kilos). The price increases according to the grade of coffee, as well as whether or not it is Fairtrade and/or organic.

Observers are permitted in the auction room, and I attended on two separate occasions in May 2012 and August 2012. On both visits I sat in a room with between 20 and 30 buyers and three auctioneers on stage. The buyers are primarily male foreigners, from organizations based in France, Germany, the UK, Kenya, and Tanzania, amongst other countries. A red screen lights up the front of the room. A loud scratching sound is heard every so often, but other than it and the sound of hot coffee being poured from large thermoses, the room is quiet.

Appendix 9: List of Interviewees – Group 1 Fairtrade Key Informants

Respondent	Organization	Position	Location	Date
G1 R1	Fairtrade International	Ex Board Member of Fairtrade International	London, UK	08/08/11
G1 R2	RSTGA	Senior Account Executive	Tukuyu, Tanzania	22/08/11 and 26/08/11
G1 R3	RSTGA	General Manager	Tukuyu, Tanzania	29/09/11
G1 R4	Ndumberi Co-operative	Producer/ Delegate	Kiambu, Kenya	30/09/11
G1 R5	Ndumberi Co-operative	General Manager	Kiambu, Kenya	30/09/11
G1 R6	Fairtrade Africa	Communications Specialist	Nairobi, Kenya	30/09/11
G1 R7	Fairtrade Africa	Regional Coordinator Eastern Africa	Nairobi, Kenya	30/09/11 09/05/11
G1 R8	ADAPS, Madagascar	General Manager	Accra, Ghana	08/11/11
G1 R9	Tea Factory Manager	WATCO	Tukuyu, Tanzania	25/08/11
G1 R10	Fairtrade Foundation	Producer Relations	London, UK	05/04/12
G1 R11	Cafédirect	Head of Strategic Development	London, UK	22/05/12 (with R12)
G1 R12	Cafédirect Producer Fund	Project Manager	London, UK	22/05/12 (with R11)
G1 R13	Fairtrade Africa	Acting Executive Director	Nairobi, Kenya	09/05/12 & 01/10/12
G1 R14	Fairtrade Africa	Executive Director	Nairobi, Kenya	01/10/12
G1 R15	Fairtrade Africa	Monitoring & Evaluation Manager	Skype	09/11/12
G1 R16	Fairtrade Africa	Head of Africa PSR	Nairobi, Kenya	02/10/12

Appendix 10: List of Interviewees – Group 2 Tanzanian Key Informants

Respondent	Organization	Position	Location	Date
G2 R1	KNCU	Acting General Manager & Technical Services Manager	Moshi, Tanzania	20/08/11 & 10/05/12
G2 R2	KNCU	Tour Guide	Moshi, Tanzania	20/08/11
G2 R3	KNCU	Tour guide	Moshi Tanzania	22/08/11
G2 R4	KCU	Assistant Export Manager	Moshi, Tanzania	11/05/12; 24/09/12
G2 R5	KCU	Export Manager	Moshi, Tanzania	11/05/12; 18/05/12
G2 R6	KNCU	Acting General Manager	Moshi, Tanzania	14/05/12
G2 R7	KNCU	Fairtrade Liaison Officer and Export Marketing Officer	Moshi, Tanzania	15/05/12; 26/07/12; 24/09/12
G2 R8	KNCU	Acting Agricultural Farming Technical Services Officer	Moshi, Tanzania	15/05/12; 28/09/12
G2 R9	KNCU	Senior Procurement Officer	Moshi, Tanzania	15/05/12; 26/07/12; 25/09/12
G2 R10	Tanzania Coffee Board	Director of Coffee Quality and Promotions	Moshi, Tanzania	15/05/12
G2 R11	MUCCobs	Director, Postgraduate Affairs	Moshi, Tanzania	12/05/12 & 14/05/12
G2 R12	KDCU	Export Manager	Moshi, Tanzania	18/05/12
G2 R13	The Tanganyika Coffee Curing Co. Ltd.	Acting Export Manager & Statistician	Moshi, Tanzania	17/05/12
G2 R14	KDCU	FT and Organic Coordinator	Accra, Ghana & Kayanga, Karagwe	22/11/11 & 17/09/12
G2 R15	Dormans	Country Sales Manager	Moshi, Tanzania	29/07/12
G2 R16	Mambo Coffee	Accountant	Moshi, Tanzania	29/07/12
G2 R17	G32	General Manager	Moshi, Tanzania	30/08/12 & 31/08/12
G2 R18	Tanzania Coffee Association	Executive Secretary	Moshi, Tanzania	30/08/12
G2 R19	MUCCoBS	Lecturer	Moshi, Tanzania	31/08/12
G2 R20	MUCCoBS	Lecturer	Moshi,	31/08/12

			Tanzania	
G2 R21	KCU	FT Coordinator	Bukoba, Tanzania	06/09/12 & 15/09/12
G2 R22	KCU	Board Chair	Bukoba, Tanzania	06/09/12
G2 R23	Bukoba Municipal Office	District Cooperative Officer	Bukoba, Tanzania	07/09/12
G2 R24	KCU	Organic Coordinator	Bukoba, Tanzania	07/09/12 & 15/09/12
G2 R25	KCU	KCU Marketing Manager/Acting Manager	Bukoba, Tanzania	07/09/12
G2 R26	KCU	General Manager	Bukoba, Tanzania	10/09/12; 11/09/12; 14/09/12' 21/09/12
G2 R27	KDCU	Organic Coordinator	Kayanga, Karagwe	17/09/12
G2 R28	KDCU	General Manager	Kayanga, Karagwe	18/09/12
G2 R29	KDCU	Agricultural and Environmental Officer	Kibimba Pine Farm	18/09/12
G2 R30	KDCU	Factory Manager	Kayanga, Karagwe	19/09/12
G2 R31	KNCU	Board Chair	Moshi, Tanzania	24/09/12
G2 R32	TACRI	Programme Manager, Technology Training and Transfer	Machame, Tanzania	26/09/12
G2 R33	Moshi District	DCO Moshi	Moshi, Tanzania	28/09/12
G2 R34	Moshi District	DALDO	Moshi, Tanzania	28/09/12
G2 R35	KNCU	Field Officer Supervisor	Moshi, Tanzania	29/07/12 & 28/09/12
G2 R36	Café Africa	Country Manager	Moshi, Tanzania	28/09/12
G2 R37	Moshi District	DCSMS	Moshi, Tanzania	28/09/12
G2 R38	KCU	Bukop Manager	Bukoba	07/09/12
G2 R39	KDCU	Nyaishozi School Principal	Kayanga	19/09/12
G2 R40	KCU	Tanica Factory Manager	Bukoba	15/09/12

Appendix 11: List of Interviewees – Group 3 Primary Society Managers and Leaders

Respondent	Organization	Position	Location	Date
G3 R1	Kyengia PCS, KNCU	Chairwoman	Kyengia	01/08/12
G3 R2	Mamsera	Deputy Secretary-Manager	Mamsera	28/08/12
G3 R3	Mamsera	SM	Mamsera	29/08/12
G3 R4	Old Moshi PS, KNCU	Chairman	Old Moshi	01/09/12
G3 R5	Keryo, G32	SM	Keryo, Rombo	03/09/12
G3 R6	Lukani/Losaa, G32	Board & G32 Board	Lukani Losar, Hai	04/09/12
G3 R7	Lukani/Losaa, G32	G32 Board and Board of Lukani-Losar	Lukani Losar, Hai	04/09/12
G3 R8	Izigo, KCU	SM	Izigo, Muleba	10/09/12
G3 R9	KCU	Field Officer	Izigo, Muleba	10/09/12
G3 R10	KCU	Field Officer	Izigo, Muleba	10/09/12
G3 R11	Katoro, KCU	SM	Katoro, Bukoba	12/09/12
G3 R12	Kasharu, KCU	SM	Kasharu, Bukoba	14/09/12
G3 R13	Mabira, KDCU	Chairwoman	Mabira, Karagwe	18/09/12
G3 R14	Nyakayanja PCS, KDCU	Board Chairman	Nyakayanja	19/09/12
G3 R15	Nyakakika PCS, KDCU	SM	Nyakakia	20/09/12

Appendix 12: List of Interviewees - Group 4 Producers

** Note: If a role other than 'farmer' is specified, this individual is also a farmer*

Resp.	Union	Primary Society	District	Gender	Age	Role	Date
G4 R1	KNCU	Uru North Njari	Moshi Rural	M	56	Tour guide	28/07/12
G4 R2	KNCU	Uru North Msuni	Moshi Rural	M	50	Secretary -Manager	28/07/12
G4 R3	KNCU	Uru North Msuni	Moshi Rural	M	54	PCS Board	28/07/12
G4 R4	KNCU	Uru North Msuni	Moshi Rural	F	58	PCS Board	28/07/12
G4 R5	KNCU	Kibosho Central	Moshi Rural	F	45	Secretary -Manager	30/07/12
G4 R6	KNCU	Kibosho Central	Moshi Rural	F	75	Farmer	30/07/12
G4 R7	KNCU	Kibosho Central	Moshi Rural	M	61	Farmer	30/07/12
G4 R8	KNCU	Kibosho Central	Moshi Rural	M	70	PCS Board	30/07/12
G4 R9	KNCU	Kibosho Central	Moshi Rural	M	75	PCS Board	30/07/12
G4 R10	KNCU	Kibosho Central	Moshi Rural	M	78	PCS Board	30/07/12
G4 R11	KNCU	Kibosho Central	Moshi Rural	M	45	Farmer	30/07/12
G4 R12	KNCU	Kibosho Central	Moshi Rural	M	57	Farmer	30/07/12
G4 R13	KNCU	Kibosho Central	Moshi Rural	F	42	Farmer	31/07/12
G4 R14	KNCU	Kibosho Central	Moshi Rural	F	45	Farmer	31/07/12
G4 R15	KNCU	Kibosho Central	Moshi Rural	F	57	Farmer	31/07/12
G4 R16	KNCU	Kibosho Central	Moshi Rural	F	58	Farmer	31/07/12
G4 R17	KNCU	Kibosho Central	Moshi Rural	F	78	Farmer	31/07/12
G4 R18	KNCU	Kibosho Central	Moshi Rural	F	47	Farmer	31/07/12
G4 R19	KNCU	Kyengia	Hai	F	52	PCS Board	01/08/12
G4 R20	KNCU	Kyengia	Hai	M	75	Farmer	01/08/12
G4 R21	KNCU	Kyengia	Hai	M	46	PCS Board	01/08/12
G4 R22	KNCU	Kyengia	Hai	M	60	Farmer	01/08/12
G4 R23	KNCU	Kyengia	Hai	F	46	Farmer	01/08/12
G4 R24	KNCU	Kyengia	Hai	M	72	Farmer	01/08/12
G4 R25	KNCU	Uru North Njari	Moshi Rural	F	52	Farmer	02/08/12

G4 R26	KNCU	Uru North Njari	Moshi Rural	F	57	Farmer	02/08/12
G4 R27	KNCU	Uru North Njari	Moshi Rural	F	53	Farmer	02/08/12
G4 R28	KNCU	Uru North Njari	Moshi Rural	F	65	Farmer	02/08/12
G4 R29	/	Mamsera	Rombo	M	65	Farmer	28/08/12
G4 R30	/	Mamsera	Rombo	M	38	Farmer	28/08/12
G4 R31	/	Mamsera	Rombo	F	52	Farmer	28/08/12
G4 R32	/	Mamsera	Rombo	M	60	Farmer	28/08/12
G4 R33	/	Mamsera	Rombo	M	51	Farmer	28/08/12
G4 R34	G32	Keryo	Rombo	F	54	Farmer	03/09/12
G4 R35	G32	Keryo	Rombo	M	73	Farmer	03/09/12
G4 R36	G32	Keryo	Rombo	F	63	Farmer	03/09/12
G4 R37	G32	Lukani/Losaa	Hai	M	76	Farmer	04/09/12
G4 R38	G32	Lukani/Losaa	Hai	F	48	Farmer	04/09/12
G4 R39	G32	Lukani/Losaa	Hai	F	37	Farmer	04/09/12
G4 R40	G32	Lukani/Losaa	Hai	M	65	PCS Board	04/09/12
G4 R41	KCU	Izigo	Muleba	M	66	Farmer	10/09/12
G4 R42	KCU	Izigo	Muleba	F	54	PCS Board	10/09/12
G4 R43	KCU	Izigo	Muleba	M	56	Farmer	10/09/12
G4 R44	KCU	Izigo	Muleba	M	54	Farmer	11/09/12
G4 R45	KCU	Izigo	Muleba	M	84	Farmer	11/09/12
G4 R46	KCU	Izigo	Muleba	M	44	Farmer	11/09/12
G4 R47	KCU	Izigo	Muleba	M	42	Farmer	11/09/12
G4 R48	KCU	Izigo	Muleba	F	59	Farmer	11/09/12
G4 R49	KCU	Katoro	Bukoba	M	53	Farmer	12/09/12
G4 R50	KCU	Katoro	Bukoba	M	45	PCS Board	12/09/12
G4 R51	KCU	Katoro	Bukoba	F	65	Farmer	12/09/12
G4 R52	KCU	Katoro	Bukoba	M	55	Farmer	12/09/12
G4 R53	KCU	Katoro	Bukoba	F	40	Farmer	12/09/12
G4 R54	KCU	Katoro	Bukoba	F	56	Farmer	12/09/12
G4 R55	KCU	Kasharu	Bukoba	M	36	Farmer	13/09/12
G4 R56	KCU	Kasharu	Bukoba	M	47	PCS Board	13/09/12
G4 R57	KCU	Kasharu	Bukoba	F	42	Farmer	13/09/12
G4 R58	KDCU	Mabira	Kitintu	M	56	Farmer	18/09/12
G4 R59	KDCU	Mabira	Kitintu	F	65	Farmer	18/09/12
G4 R60	KDCU	Mabira	Kitintu	M	62	Farmer	18/09/12
G4 R61	KDCU	Mabira	Kitintu	M	42	Farmer	18/09/12
G4 R62	KDCU	Nyakayanja	Bugene/Nyashori	F	49	PCS Board	19/09/12
G4 R63	KDCU	Nyakayanja	Bugene/Nyashori	M	61	Farmer	19/09/12

G4 R64	KDCU	Nyakayanja	Bugene/ Nyashori	M	33	Farmer	19/09/12
G4 R65	KDCU	Nyakakika	Nyabionza	M	45	Farmer	20/09/12
G4 R66	KDCU	Nyakakika	Nyabionza	M	40	Farmer	20/09/12
G4 R67	KDCU	Nyakakika	Nyabionza	F	32	Farmer	20/09/12
G4 R68	KDCU	Nyakakika	Nyabionza	F	45	Farmer	20/09/12

Appendix 13: Interview Guide for Groups 1 & 2

Type of Questions	Researcher Info	Interviewer Topic
Warm-Up	Demographics	Name
		Gender
		Location
	Background Info	Organization and role
General Fairtrade	Fairtrade Knowledge	About Fairtrade
		Fairtrade premiums
		Challenges of Fairtrade
	Delegates	Delegate election process
		Role of representatives
Co-operatives	Principles	Knowledge amongst members
		Benefits of the co-op model
	Challenges to	Private traders etc.
Governance	Collaboration	How decisions are made
		How information is shared
		Diversity (women, youth)
	Capacity Building	Training

Appendix 14: Group 3 Interview Guide

1. General

Name:

Gender:

Age:

Organization:

Can you tell me about your organization?

What is your role?

2. Co-operatives

What does it mean to be a co-operative?

How are delegates elected?

How many female producers are there?

Who attends meetings?

How often are meetings held?

Do you have secondary data on meetings, quorum, and women?

Are people leaving the co-operative?

Is there increased competition?

Any other comments?

3. General Fairtrade

What do you know about Fairtrade?

How important is the Fairtrade price?

What are the Fairtrade premiums?

What is the impact of Fairtrade on producers?

Are there other projects here you can tell us about?

How many children are in schools paid for by Fairtrade premiums?

Any other comments?

4. Governance

How is the primary society structured and governed?

How are managers and Board members selected?

Do women get Board and management roles?

5. Capacity Building

Who gets trained?

Do members have access to capacity building?

Are there groups here (like the village cooperative bank)?

Do you think capacity building is important?

Appendix 15: Group 4 Interview Questionnaire

**QMUL Fairtrade Co-operative Governance Study¹⁸
Producer Interviews**

Date: _____

Primary Society: _____

Union: _____

Name (optional): _____

Gender (M/F): _____

Position: _____

Research Code: _____

CONSENT

READ TO RESPONDENT (English/Swahili)

My name is x and I am conducting a study on Fairtrade for Queen Mary, University of London. We are interested in the impact of Fairtrade for Tanzania's coffee farmers, as well as how producers participate in Fairtrade.

We would like to invite you to be part of this research project. This interview is confidential, and your name will not be used. You should only agree to take part if you want to; it is entirely up to you. If you choose not to take part you will not be in any way disadvantaged. You are, of course still free to stop the interview at any time, or to ask me to skip a question. You do not need to provide a reason.

*At this time, would you like to ask me anything about the survey?
May I begin the interview now?*

Signature/oral consent of respondent: _____

Investigator's Statement:

I _____ confirm that I have carefully explained the nature, demands and any foreseeable risks (where applicable) of the proposed research to the volunteer. Date:

I. General Information

1. How old are you? _____ years

¹⁸ This survey is based on previous field research by Granville & Telford (2013, 330-339).

2. What is your marital status?
 - a) Single
 - b) Married
 - c) Divorced
 - d) Partner Deceased
 - e) Co-habiting

3. How many children do you have? _____

4. How much formal education did you receive? (Circle the highest level)
 - a) No formal education
 - b) Primary school – Standard 7 (incomplete)
 - c) Primary school – Standard 7 (complete)
 - d) Secondary school – Forms up to 6 (incomplete)
 - e) Secondary school – Form 6 (complete)
 - f) College/university _____

Why did you leave school?

II. Coffee Farming

5. Do you own a coffee farm? Y/N
 If NO, who owns the farm that you work on (name and relation)?

6. How large is your farm? _____ acres

7. How many coffee trees do you have? _____
 Of these, how many are old and how many are new? _____

8. What is the level of coffee production in kilos (kg) per season?
 _____ kilo/season

9. Do you hire people to work for you? Y/N
 If YES please elaborate: _____

10. Do you pulp the coffee yourself? Y/N

If NO, where does it go for pulping?

11. Who do you sell your coffee to? (*Private buyers*)

12. What price did you receive for your coffee last season?

13. What other crops do you grow?

14. Do you ever work elsewhere (for the government, private company, etc.)? **Y/N**

If YES, please elaborate: _____

III. Co-op Membership

15. In which year did you join the co-operative? _____

16. Why did you join the co-operative?

17. Are you/have you ever been in a leadership position at the co-operative? **Y/N**

If YES please describe: _____

18. How do you participate in your primary society? (Circle all that apply)

- a) As a Board member
- b) Vote for a Board member
- c) Frequently attend meetings
- d) Occasionally attend meetings
- e) No participation

19. How often are primary society meetings held? _____ /year

20. How many people attend these meetings? _____
21. Do you speak at meetings? Y/N
Why or why not? _____
22. How do you receive information from your primary society?
 a) Board members
 b) Secretary-Manager
 c) Newsboard
 d) Training sessions
 e) Other
 f) Unsure
23. Who makes decisions at meetings of your primary society?
 a) Producers
 b) Secretary-Manager
 c) Board members
 d) Other
 e) Unsure
24. Do you know who your delegate/representative is? Y/N
If YES, please name: _____
25. Do you know how primary society Board members are chosen? Y/N
If YES please describe: _____
26. Do you have confidence in your primary society Board members? Y/N
Please elaborate: _____
27. Do you have confidence in the management of the union? Y/N
Please elaborate: _____
28. Do you have confidence in the Management Board of the union? Y/N
Please elaborate: _____
29. Are there many female producers in the co-operative? Y/N
Why or why not? _____

30. Are there many women in leadership positions at the co-operative? Y/N
Why or why not? _____
31. Are there many young people at the co-operative? Y/N
Why or why not? _____
32. Do you receive any training or technical assistance? Y/N
If YES, please elaborate: _____
What would you like to learn that you haven't yet learned?
33. Are there other ways in which you learn (from a neighbor, friend, etc)? Y/N
If YES, please elaborate: _____
34. Do you have access to loans? Y/N
If YES, please elaborate: _____
35. Are you a member of another group? (Village Community Bank etc.) Y/N
If YES, please elaborate: _____
36. Do you vote in local, regional, and national elections? (Circle all that apply)
- a) Yes, Local Elections
 - b) Yes, Constituent Elections
 - c) Yes, National Elections
 - d) No
 - e) Not eligible
 - f) Unsure

V. Fairtrade

37. Do you know what Fairtrade is? Y/N
If NO, end interview.
If YES, can you tell me a bit about Fairtrade? _____
38. Has your standard of living increased due to Fairtrade? Y/N
If YES, please elaborate: _____

39. Do you know what the Fairtrade premiums are? **Y/N**
If NO, end interview.

If YES, please describe:

40. How are the Fairtrade premiums used within the co-operative? (Do you know of any social projects within your cooperative?)

41. Who decides how the Fairtrade premiums will be spent?

- a) Producers
- b) Delegates
- c) Managers
- d) Board
- e) Other
- f) Unsure

42. Is there anything you would like to add about anything we've discussed?
Challenges?

END INTERVIEW:

Thank you very much for your time. We will be sharing our results with the co-operative so you should hear more about this study once it is complete.

Appendix 16: Group 4 Interview Guide – Swahili version

Mwongozo wa mahojiano
Shannon Sutton
02/08/2012

Qmul soko la haki na utawala
Mahojiano ya wakulima

Tarehe:-----

Chama cha msingi-----

Chama kikuu cha msingi:-----

Jina (waweza kujaza au la):-----

Jinsia (me/ke):-----

Nafasi :-----

Namba ya mahojiano-----

1.Taarifa binafsi

Tafadhali anza kwa kueleza taarifa zako binafsi (jaza maswali yaliyobakia hapa chini)
- una umri gani?-----

2 Hali ya ndoa

- o sijaolewa/sijaoa
- o nimeolewa/nimeoa
- o kutengana
- o mwenzi amekufa
- o mahusiano bila ndoa

3.Je! Una watoto wangapi?-----

4.Je !umepata elimu rasmi kwa kiwango gani?(weka alama kwenye kiwango chako cha juu cha elimu)

sikupata elimu ya darasani
Darasa la saba (sikumaliza)
Darasa la saba (nilikamilisha)
Elimu ya sekondari kidato cha sita
Chuo/chuo kikuu

Je!nini kilikuzuia kumalizia masomo yako?

II.Kilimo cha kahawa

5. Je! unamilikiki shamba la kahawa! **N/H**

kama jibu ni hapana, je! ni nani anamiliki shamba uinalolima?

6. je! shamba lako lina ukubwa gani?

7. je! una miti mingapi ya kahawa?-----

Kati ya miti unayomiliki ni mingapi ya zamani na mingapi mipya?-----

8. je! nini kiwango cha uzalishaji (kwa kilo) kwa msimu?

Kilo-----kwa msimu

9. Je! unaajiri watu/vibarua kukusaidia? **N/H**

Kama jibu ni ndiyo toa maelezo zaidi-----

10. je! unapukuchua kahawa yako mwenyewe? **N/H**

Kama siyo unapukuchulia wapi kahawa yako?

11. Je! unamuuzia nani kahawa yako? (wauzaji binafsi)

12. je! ulipokea bei gani kwa kilo ya kahawa msimu uliopita?

13. je! ni mazao gani mengine unayootesha shambani mwako mbali na kahawa?

14. je! umewahi kuajiriwa mahali pengine popote? (serikalini, kampuni binafsi n.k)? **N/H**

kama ndiyo tafadhali toa maelezo :-----

III. Uanachama wa ushirika

15. je! umejiunga na chama cha ushirika mwaka gani?-----

16. Sababu gani ilipelekea kujiunga na chama cha ushirika?

17. je! wewe ni kiongozi au umewahi kushika nafasi yeyote ya uongozi kwenye chama?
N/H

Kama ndiyo tafadhali toa maelezo-----

18. je! unashiriki kwa namna gani kwenye utendaji wa chama chako?

g) Kama mjumbe wa bodi

h) Kuwachagua wajumbe wa bodi

- i) Kuhudhuria mikutano ya chama mara kwa mara
- j) Kuhudhuria mikutano ya chama kwa msimu
- k) Sishiriki kwenye shughuli za chama

19.je!mikutano ya chama cha msingi inaitishwa mara ngapi kwa mwaka?-----

20.je!ni wastani wa watu wangapi huudhuria mikutano hiyo?-----

21.je!unatoa mchango wako wa mawazo kwenye mikutano ya chama?**N/H**

Kama ndiyo kwa nini na kama siyo kwa nini?

22.Je unapokea taarifa za chama cha msingi kwa njia gani?

- Kupitia wajumbe wa bodi
- Katibu –meneja
- Mbao za matangazo
- Kwa njia ya mafunzo
- Kwa njia nyingine
- Sina uhakika

23.Je ni nani hufanya maamuzi kwenye chama chako cha msingi?

- Wakulima
- Katibu meneja
- Wajumbe wa bodi
- Njia nyingine-----
- Sina hakika

24.Je unawajua wawakilishi wako?**N/H**

Kama ndio,wataje-----

25.Je unajua wajumbe wa bodi wanavyochaguliwa?**N/H**

Kama ndio toa maelezo-----

26.Je unawaamini wajumbe wako wa bodi?

Toa maelezo-----

27.Unaamini wasimamizi wa chama kikuu cha ushirika?**N/H**

Toa maelezo-----

28.je!uaiamini bodi ya usimamizi ya chama kikuu cha ushirika?**N/H**

Toa maelezo-----

29.je!wanachama wakulima wanawake ni wangapi kwenye chama?**N/H**

Kwa nini ndio au la?

30.je!Kuna wanawake wengi kwenye nafasi za uongozi kwenye chama?N/H

Kwa nini ndio au la?

31.je!kuna vijana wanachama wengi kwenye chama?

Kwa nini ndiyo au la?

32.je!mnapokea mafunzo au msaada wowote wa kitaaluma?

Kama ndiyo,toa maelezo:-----

Je!ungependa kujifunza nini ambacha bado hukijui?

33.je! kuna njia gani nyingine unazotumia kujifunza?(mf. Jirani,rafiki n.k)N/H

Kama ndiyo toa maelezo-----

34.Je!unafikiwa na mikopo?

Kama ndio toa maelezo-----

35.Je! wewe ni mjumbe wa kikundi kingine chochote kijijini?(kikundi cha wakulima,au vikundi jamii vya kijiji)

Kama ndiyo toa maelezo-----

36.je!chama chako kina miradi mingine yeyote ya kijamii?

Je!unashiriki kwenye uchaguzi waserikali za mitaa,jimbo au serikali kuu?

V.Soko la haki (Fair Trade)

37.je! unajua soko la haki ni nini? N/H

Kama ndiyo ,tafadhali eleza kwa ufupi kuhusu soko la haki-----

38.je!maisha yako yameboreka kutokana na soko la haki?N/H

Kama ndio eleza-----

39.je!unavijua viwango vinavyolipwa na soko la haki (fair Trade premiums)?

40. je fedha inayolipwa na soko la haki kwenye chama hutumikaje?(je!unajua miradi yeyote ya kijamii inayoendeshwa na chama chako cha msingi?

41.Je!ni nani hufanya maamuzi jinsi ya kutumia fedha zitokanazo na soko la haki?

- Wakulima
- Wawakilishi
- Meneja
- Bodi
- Wengine,taja-----
- Sina hakika

42.Je!ni changamoto gani unazokutana nazo kama mkulima ?

Appendix 17: Translation Contract

Project Information:

Research Study: Participation and Representation at Tanzanian Fairtrade Co-operatives
Queen Mary, University of London
Ethical Clearance Reference: QMREC2011/54

Principal Researcher Information:

Shannon Sutton, PhD Student, Queen Mary, University of London
0714298853, sutton.shannon@gmail.com

Translator Information:

Ms. Rose Mtei, MA Student, MUCCoBS
0714465860, 0769377369
mteirose@gmail.com

Purpose:

To provide translation services for the duration of the Moshi segment of the field research. This work includes, but is not limited to, oral translation services, written translation services, field visits, meeting observation, and de-briefing sessions.

Duration:

For the period of July 27, 2012 to October 10, 2012, for an anticipated total of 20 days. Days will be approximately 8 hours in duration, and typically between the hours of 8:30 am and 4:30 pm. Overtime may be required, and the translator will be compensated accordingly.

Payment (Daily):

Item	Daily rate
Transportation	2,000 TSh
Subsistence	8,000 TSh
Daily Rate (per 8 hours)	30,000 TSh
Overtime rate (per hour)	5,000 TSh

Daily Rate: 40,000 TSh/day + overtime

Principal Researcher:

Signature _____ Date
Shannon Sutton

Translator:

Signature _____ Date
Rose Mtei

Appendix 18: Confidentiality Agreement for Translators

This Agreement was made on the 27 day of July, 2012.

BETWEEN:

Rose Mtei

AND:

Shannon Sutton (Principal Researcher)

I, the undersigned, hereby undertake to respect the following conditions of confidentiality concerning all documents that may be supplied to me for the purposes of translation and/or interviewing. I commit to the following:

- a) To keep strictly confidential all information that may be communicated to me verbally, in writing, or in any other form for the purposes of translation or interviewing. I undertake to take all precautions necessary to prevent knowledge of this information from reaching any unauthorized third parties. "Information" comprises any and all knowledge, know-how, information, and/or techniques relating to the research project inclusive of:
 - all research data;
 - interviewees' information;
 - plans, drawings, prototypes, models; and
 - records.
- b) I undertake not to use any information provided for any other purpose than to provide the translations/interviews required by the client.
- c) I undertake not to keep any copies, summaries, or transcripts of the confidential documents provided, in any form, and to return all such documents to the client upon completion of the field research.
- d) The present agreement is valid for two years from the date of signature of this document.

Signature _____

Date _____

Appendix 19: Focus Group Guide – Key Themes

1. General

Name and gender:

Can you tell me about your organization?

What is your role?

2. Coffee

What is your main challenge as a coffee farmer?

Is there increased competition?

3. Co-operatives

What does it mean to be a co-operative?

How are delegates elected?

How are managers and Board members selected?

How often are meetings held?

Who attends meetings?

4. General Fairtrade

Have you heard of Fairtrade?

If so, what is the impact of Fairtrade for you?

Are there any social projects here?

5. Capacity Building

Do you have access to capacity building (like training and technical assistance)?

Appendix 20: List of Focus Groups

Number	Participants	Location	Union	Date
1	6 male 0 female	Kibosho Central	KNCU	30/07/2012
2	0 male 6 female	Kibosho Central	KNCU	31/07/2012
3	4 male 1 female	Kyengia	KNCU	01/08/2012
4	3 male 3 female	Mamsera	Mamsera	29/08/2012
5	4 male 3 female	Kasharu	KCU	13/09/2012

Appendix 21: Ethical Approval Phase 1



Queen Mary, University of London
Room E16
Queen's Building
Queen Mary University of London
London E1 4NS

Queen Mary Research Ethics Committee

Hazel Covill
Research Ethics Administrator
Tel: +44 (0) 20 7882 2207
Email: h.covill@qmul.ac.uk

Professor Brigitte Granville
Room FB4.25D, The Francis Bancroft Building
School of Business and Management
Queen Mary, University of London
Mile End Road
London, E1 4NS

12th September 2011

To Whom It May Concern:

Re: QMREC2011/54 – Add Producers and Stir? Participation and Representation in Fairtrade.

The first stage of the above study (consisting of elite interviews) was conditionally approved by The Queen Mary Research Ethics Committee on the 8th June 2011. Full approval was ratified by Chair's Action on the 13th July 2011.

This approval is valid for a period of two years, (if the study is not started before this date then the applicant will have to reapply to the Committee).

Yours faithfully

A handwritten signature in black ink, appearing to read "E. Hall", written over a horizontal line.

Ms Elizabeth Hall – QMREC Chair.

Patron: Her Majesty the Queen
Incorporated by
Royal Charter as
Queen Mary and
Westfield College,
University of London

Appendix 22: Ethical Approval Phase 2



Queen Mary, University of London
Room E16
Queen's Building
Queen Mary University of London
London E1 4NS

Queen Mary Research Ethics Committee

Hazel Covill
Research Ethics Administrator
Tel: +44 (0) 20 7882 2207
Email: h.covill@qmul.ac.uk

Professor Brigitte Granville
Room FB4.25D, The Francis Bancroft Building
School of Business and Management
Queen Mary, University of London
Mile End Road
London, E1 4NS

3rd May 2012

To Whom It May Concern:

Re: QMREC2011/54 – Add Producers and Stir? Participation and Representation in Fairtrade (Stage II).

The second stage of the above study (consisting of general interviews) was conditionally approved by The Queen Mary Research Ethics Committee (Sub-Board A) on the 18th April 2012. Full approval was ratified by Delegated Member's Action on the 3rd May 2012.

This approval is valid for a period of two years, (if the study is not started before this date then the applicant will have to reapply to the Committee).

Yours faithfully

A handwritten signature in black ink, appearing to read "E. Hall", written over a horizontal line.

Ms Elizabeth Hall – QMREC Chair.

Patron: Her Majesty the Queen
Incorporated by
Royal Charter as
Queen Mary and
Westfield College,
University of London



Information sheet

Research study: Fairtrade Governance in Tanzania

We would like to invite you to be part of this research project. You should only agree to take part if you want to; it is entirely up to you. If you choose not to take part you will not be in any way disadvantaged. Please read the following information carefully before you decide to take part; this will tell you why the research is being done and what you will be asked to do if you take part. Please ask if there is anything that is not clear or if you would like more information. It is up to you to decide whether or not to take part. If you do decide to take part you will be given this information sheet to keep and be asked to sign a consent form. You are, of course still free to withdraw at any time and without giving a reason.

About the research:

Title of Study: Fairtrade Governance in Tanzania

Queen Mary Research Ethics Committee Ref: QMREC2011/54

Researcher: Shannon Sutton, PhD Student, Queen Mary, University of London

This study explores the nature of participation in Fairtrade governance at both the institutional and organizational level. I hope to learn more about how producers receive information about Fairtrade and to what extent they participate in decision-making at various levels of the Fairtrade system. I am particularly interested in who participates and the manner in which people participate, as well as issues of representation, such as gender equity and the rights of landless workers. This research includes key informant interviews (with experts, members of Fairtrade International and members of Fairtrade Africa) participant observation, and interviews and focus groups with producers, delegates, managers, and members of the Board at KNCU and KCU in Tanzania.

This project was reviewed and received ethics clearance by the Research Ethics Committee at Queen Mary, University of London. Participants with concerns or questions about their involvement in the study may contact the ethics committee, as follows:

Ms. Hazel Covill
Research Ethics Administrator
Room E16, Queens' Building
Queen Mary, University of London
Mile End Road
London E1 4NS
Email: h.covill@qmul.ac.uk
Tel: +44 (0) 20 7882 2207

Appendix 24: Consent Form for Interview Respondents Groups 1 to 3



Consent form (All interviews)

Please complete this form after you have read the Information Sheet and/or listened to an explanation about the research.

Title of Study: Fairtrade Governance in Tanzania
Queen Mary Research Ethics Committee Ref: **QMREC2011/54**

Thank you for considering taking part in this research. The person organizing the research must explain the project to you before you agree to take part. If you have any questions arising from the Information Sheet or explanation already given to you, please ask the researcher before you decide whether to join in. You will be given a copy of this Consent Form to keep and refer to at any time.

Consent:

- *I understand that if I decide at any other time during the research that I no longer wish to participate in this project, I can notify the researchers involved and be withdrawn from it immediately.*
- *I consent to the processing of my personal information for the purposes of this research study. I understand that such information will be treated as strictly confidential and handled in accordance with the provisions of the Data Protection Act 1998.*

Participant's Statement:

I _____ agree that the research project named above has been explained to me to my satisfaction and I agree to take part in the study. I have read both the notes written above and the Information Sheet about the project, and understand what the research study involves.

Signed:

Date:

Investigator's Statement:

I _____ confirm that I have carefully explained the nature, demands and any foreseeable risks (where applicable) of the proposed research to the volunteer.

Appendix 25: Back-translation of Questionnaire

INTERVIEW GUIDE

Shannon Sutton

02/8/2012

Interview with Farmers

Date.....
Primary part of education.....
Secondary part of education.....
Name (It is not compulsory).....
Gender (Male/Female).....
Position.....
Number of interviewer.....

I. PERSONAL INFORMATION

- 1-How old are you?
- 2-Marital status
 - a) Single
 - b) Married
 - c) Divorced
 - d) deceased/widowed
 - e) in a relationship
- 3. How many kids do you have?.....
- 4. What is your level of education?(tick from the list below)
 - a) not educated
 - b) I did not finish class seven.
 - c) I finish class seven
 - d) Form six
 - e) UniversityWhy did you not finish your education?.....

II. COFFEE FARMING

- 5. Do you own any coffee farm?yes/no
If no who owns the land?.....
- 6. How big is your farm?.....
- 7. How many coffee trees do you have?.....
How many trees were recently planted and how many were planted before?
- 8. What is the output in kg per season?
Kg.....per season
- 9. Do you employ labourers for assistance?yes/no
- 10. Do you process/grind coffee alone?
If no where do you grind your coffee?
- 11. Who are your customers?
- 12. How much money did you receive from coffee last season per kg?
- 13. What else do you grow in your farm apart from coffee?.....
- 14. Have you ever been employed elsewhere (by the Government or NGO)
No/yes
If yes please explain

III. UNION¹⁹

15. When did you join the union?
16. Why did you join the union?
17. Are you a leader ? have you ever been a leader or in a senior position in the union ?yes/no
If yes explain.....
18. What is your position in the primary union?
 - a) Board member
 - b) Recruiting board members
 - c) Attending union meetings from time to time
 - d) Attending union meetings seasonally
 - e) I don't involve myself in any party organizations
19. How many times do you hold primary union meetings per year?.....
20. What is the average no of farmers who attend the meetings?
21. Do you give your views at the meetings?
If yes why.....
If no why.....
22. How do you receive information from the union?
 - a) from board members
 - b) through the manager
 - c) posters
 - d) seminars,
 - e) through other means
 - f) I am not sure
23. Who makes decisions in primary union party?
 - a) farmers
 - b) manager
 - c) Board members
 - d) any other
 - e) I am not sure
24. Do you know your representatives?yes/no
If yes quote them
25. Do you know how the board recruits?
If yes please explain
26. Do you trust your board members?
Explain.....
27. Do you trust the supervisors from the union?
Explain.....
28. Do you trust the board of trustees in the union?
Explain.....
29. How many members are women?
Why.....
- 30 . Are there many women in senior positions at the union? Yes /no
Why.....
- 31 . Are there many youths in the union party ? yes /no
Why.....
32. Do you get/receive any form of knowledge/training? yes/no
If yes explain.....

¹⁹ While the word 'union' did not correspond directly to 'co-operative', the individual completing the back-translation was not highly familiar with co-operatives. I was assured by my translator that the Swahili word would be understood as 'co-operative' by research subjects.

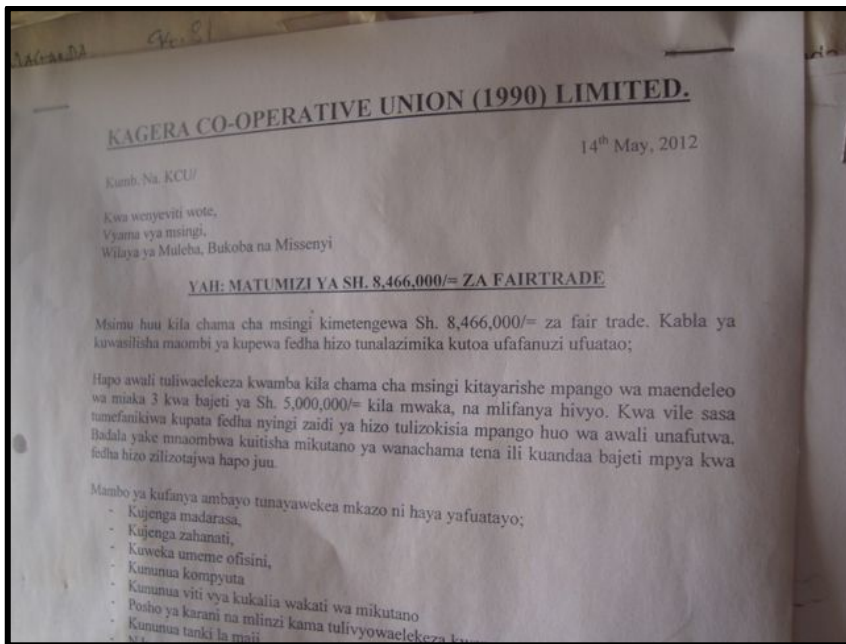
What would you like to learn that you don't understand?

33. How else do you receive your training?(through neighbours, friends , etc)
If yes explain.....
34. Do you get any loans?
If yes explain
35. Are you a board member in any other party in the village?
If yes explain
36. Do you involve yourself in any government elections in the village,district or senior government?yes/no

IV. FAIR TRADE

37. Do you know what is fair trade? If yes explain (brief summary)
.....
38. Has your life improved from fair trade? yes/no
If yes explain
39. Do you know how much the premium pays? yes/no
40. How does the money released from fair trade operate?
(do you know any project in the community)?
41. Who does budgeting for premium?
 - a) farmers
 - b) manager
 - c) representatives
 - d) board of trustees
 - e) others, mention
 - f) I am not sure
42. Other

Appendix 26: KCU's Letter to Farmers



Source: Izigo Primary Society, KCU

English Translation (by Rose Mtei):

14 May 2012

From the Fairtrade Coordinator

Concerning how to use 8,466,000 TSh (what every PS gets in premiums this season). Previously we told you every PCS should have a budget of 5 million every year and you did this. Because you have a good amount we are happy to report that the previous budget is cancelled, and it's now 8 million TSh. You need to call a meeting to arrange a new budget.

Ideas for premium usage:

- building classes (in school)
- building hospitals
- implement electricity
- buy computers
- buy chairs for meeting
- salaries for Secretary-Manager and security guard
- water tank reserve
- etc. (any others)

You should plan for 8.5 million TSh for the next 2 years to come. Allow 2000 TSh per member attending meeting as compensation. You need 100 people to vote.

Appendix 27: Research Photos

1: Focus Group in Kibosho Central



2. Mamsera Rural Co-operative Society



3. An interview with a KNCU farmer (with translator Rose Mtei)



4. Old Moshi Co-operative Meeting



5. Coffee farm interviews



6. Women sorting coffee at KDCU factory



7. Interview with a KDCU farmer



8. A KNCU farmer with coffee cherries



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