## Project title:
The challenges and opportunities for organising labour in the Kenyan flower industry

## Project seminar
E13: Mandatory Course: Theme II: Globalisation, Political Culture, Civil Society and Social Movements

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The challenges and opportunities for organising labour in the Kenyan flower industry

Selina Omwaka Wambutsi and Kristian Bruun Andersen

Global Studies Project
Abstract

This project analyses the Kenyan flower industry and ability for labour to organise. The study outlines the pre-conditions, challenges and opportunities when organising labour in the Kenyan flower industry. The pre-conditions will be outlined by describing the development of the industry and mapping the actors. This will form the basis for uncovering the challenges and opportunities through two complementary analyses: Resource mobilisation theory, which illuminates the resources available for labour and what alliances they can form; and global value chain analysis, which uncovers the governance structure in the Kenyan flower industry and how that impact the power relations and the ability for labour to organise. The resource mobilisation analysis shows that labour has some tangible and intangible resources, but severely lacks others. The global value chain analysis illuminates a tendency towards a greater degree of power asymmetry in the Kenyan flower value chain. Both analyses reveal the challenges and opportunities that these conditions and trends pose. Finally, the project discusses the limitations of the approaches chosen and seeks to overcome those by relating the findings to Harvey’s critique of neoliberalism.
List of Acronyms and Abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AEA</td>
<td>Agricultural Employers Association</td>
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<tr>
<td>CBA</td>
<td>Collective Bargaining Agreement</td>
</tr>
<tr>
<td>COTU</td>
<td>Central Organisation of Trade Unions</td>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<tr>
<td>ETI</td>
<td>Ethical Trading Initiative</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>FIDH</td>
<td>Federation for Human Rights</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>FPEAK</td>
<td>Fresh Produce Exporters Association of Kenya</td>
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<tr>
<td>GVC</td>
<td>Global Value Chain</td>
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<tr>
<td>HEBI</td>
<td>Horticultural Ethical Business Initiative</td>
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<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
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<tr>
<td>ISI</td>
<td>Import-Substitution Industrialisation</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>KFC</td>
<td>Kenya Flower Council</td>
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<tr>
<td>KFI</td>
<td>Kenya Flower Industry</td>
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<tr>
<td>KHRC</td>
<td>Kenya Human Rights Commission</td>
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<tr>
<td>KPAWU</td>
<td>Kenya Plantation and Agricultural Workers Union</td>
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<td>KEWWO</td>
<td>Kenya Women Workers Organisation</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<td>PSS</td>
<td>Private Social Standard</td>
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<td>RMT</td>
<td>Resource Mobilization Theory</td>
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<td>SAMWU</td>
<td>South Africa Municipal Workers Union</td>
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<td>SMU</td>
<td>Social Movement Unionism</td>
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<tr>
<td>SOMO</td>
<td>Stichting Onderzoek Multinationale Ondernemingen</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strengths Weaknesses Threats and Opportunities</td>
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<tr>
<td>TNC</td>
<td>Transnational Company</td>
</tr>
<tr>
<td>WRA</td>
<td>Workers Rights Alert</td>
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<td>WWW</td>
<td>Women Working Worldwide</td>
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1. Introduction

1.1. Problem area

This research paper seeks to examine the potential for organising labour in a global industry. We focus on the international cut flower industry (from now on just referred to the ‘flower industry’) because the industry encapsulates some of the main features of what a global industry looks like and how it affects different social groups. Kenya will be our main focus in this study, since Kenya is one of the countries that are most essential in the global production chain, being the third largest global exporter of flowers both in terms of value and volume (Rikken, 2011). Labour has been one of the most important topics in the global flower industry over the years. This has been influenced by the numerous problems that workers face. In general, there has been little success in organising labour in the flower industry. The Kenyan flower industry (KFI) remains an interesting case to investigate because it is a showcase of how labour has been able to organise in the global South. Despite this, most research conducted in the KFI revolves around the industry’s performance, the working conditions, consumer awareness/activism and the governance of the industry. Little research has been tailored in investigating the extent to which labour organising in the industry has been possible. This paper therefore seeks to fill in this gap by investigating the pre-conditions in the KFI and how they influence the challenges and opportunities for organising labour. Additionally, the KFI is liberalised and integrated into the global economy and therefore subject to the neoliberal structure of the global economy. Therefore a discussion on international dynamics and neo-liberalism become important in our study.

1.2. Problem formulation

What are the pre-conditions, challenges and opportunities for organising labour in the Kenyan flower industry?

1.3. Working questions:

1. What are the circumstances in the Kenyan flower industry in terms historical developments and actors involved?
2. What are the resources available for labour in the Kenyan flower industry?
3. How does the governance structure in the Kenyan flower industry impact power relations and the ability for labour to organise?
2. Methodology

2.1. Project structure

The project is divided into different sections. This first section deals with methodology and includes an overview of the project structure, the case study, sources of data, use of theory, and the limitations of study. This will be followed by a descriptive section that deals with different aspects that can inform the study and an analysis of the problems and potentials for organising labour in the KFI. Several aspects will be covered: First of all, a chapter on the industrial development of the cut flower sector in Kenya will provide an overview of the present size of the industry and also describe the competitiveness of the KFI in the global value chain (GVC). Then the different categories of producers will be presented and they will be linked to the Kenyan flower value chain. Then mapping of the actors will be conducted. These include trade unions, labour NGOs, business organisations and interest groups. The next aspect that will be discussed is the employment structure in the KFI. This section will focus on the gendered labour market and the proportion of workers that are informalised and work in temporary and precarious jobs. The final aspect will be a scrutinisation of the working conditions in the industry.

The descriptive part will form a basis for two analytical sections. The first theoretical analysis will draw on resource mobilisation theory. First the theory will be presented in relation to other theories of social movements. It will be justified why this theory is used, despite the fact that labour unions are not always considered as a part of social movement. It will be presented what parts of theory the study will utilise. We will then present how we apply the theory to our case. The second analysis will take its outset in global value chain analysis. The GVC theoretical framework will be presented and it will be shown which dimensions of the framework will be used. We will then conduct an analysis of the governance in KFI. The analytical part will help us in assessing how the existing circumstances in the KFI influence the potential for organising labour. This will be followed by a section reflecting on the use of the two theoretical frameworks and how they complement each other. Finally, we will discuss their limitations to the application of our case.

After the analysis we will have a discussion, which will discuss the limitations of the theoretical framework used by bringing in the ideas of Harvey’s critique of neoliberalism. We will first define the neoliberalism, then discuss neoliberalism as a class project and finally investigate how labour has to adapt their strategy in the era of neoliberalism. The last section of the research will be the conclusion, which will answer the problem formulation. We will conclude what resources labour has to deal with the challenges and opportunities when organising.
2.2. Application of Theory

This research will draw inspiration from the resource mobilisation theory (RMT), the GVC analysis and a critic of neoliberalism for its analytical framework.

The GVC analysis will be employed in this study to reveal how the industry is governed and how the power relations in the KFI affect the potential for organising labour. This paper will use the updated GVC analysis, which has been developed by Gereffi and Fernandez-Stark (2011). The old framework uses a simpler dichotomy of buyer- and producer-driven chains (Gereffi 1999). The new framework applies a more elaborated categorisation, which allows the research to focus on the aspects that is relevant to this paper: power relations. It analyses the GVC through four basic dimensions: an input-output structure, which describes the process of transforming raw materials into final products; a geographical consideration; a governance structure, which explains how the value chain is controlled and coordinated; and an institutional context in which the industry value chain is embedded (Gereffi, 2005). We do not intend to analyse all of these dimensions, because they do not have a direct relation to the key focus our study. Rather, our focus will be on the ‘governance structure’, since this dimension most clearly unpacks the power relations. A typology of five governance structures is given under this dimension. These include: the market, modular, relational, captive and hierarchy governance structures. The analysis of the governance typologies in this research is not aimed at pointing out a specific typology that the KFI can be described with. This is may be difficult to do because “the form of governance can change as an industry evolves and matures, and governance patterns within an industry can vary from one stage or level of the chain to another” (Gereffi and Fernandez-Stark 2011, p.10). We are, however, interested in using the overall trend of the typologies summed by “degree of explicit coordination” and “degree of power asymmetry”. Our focus is to uncover the overall trend in the KFI governance structure based on this scale. Uncovering the degree of power asymmetry in the KFI will help us in establishing how power relations affect the potential for labour organising. We find that the characteristic of the typologies are relevant since we are going to utilise them in order to analyse the overall trend. We have preferred to use this typology framework over the initial producer/buyer dichotomy, since it fails to capture the variety of network forms in governance.

The study also employs ideas and assumptions from the RMT to uncover the challenges that could pose a hindrance for the potential for organising labour in the KFI, and some of the opportunities they have. RMT assumes that for social movements to be successful they need to be able to mobilise certain resources. This contrasts itself to more structural approaches such as relative deprivation where the basis for collective action derives from grievances and non-met expectations (Gurr 1970). Different theorists of RMT use
different categories in order to analysis the required resources for a successful social movement. We use an overall dichotomy developed by Freeman which contrasts tangible and intangible assets. The tangible assets cover “money, facilities, and means of communication. [...] Intangible assets include both specialized resources such as organising and legal skills and the unspecialized labor of supporters” (Freeman 1979, pp.172-175 in Jenkins 1983, p. 533). Intangible assets can be equated with human assets. By using these categories we will be able to uncover the resources that labour has in order to successfully improve their situation in KFI. Further, the theory posits that it is not sufficient to only have the resources. However, the resources need to be mobilised and this can be done using the categories below: adherents, bystanders, constituents and opponents. Adherents refer to people and organisations who believe in the goals of the movement whereas constituents are those who provide resources for the movement. Bystanders, on the other hand, are mere witnesses to activities of the movement (Turner 1970 in McCarthy and Zald 1977, p.1221). According to the theory, a movement can be able to mobilise resources by directing its efforts in converting adherents into constituent and/or turning non-adherents/bystanders into adherents (ibid, p.1222). Such a categorisation can disclose what opportunities labour has for mobilising resources and forming alliances in order to improve their own condition.

The RMT analysis intends to uncover some of the domestic dynamics, hence limitations and potentials for organising labour, while the GVC will be used to reveal the international dynamics influencing labour’s ability to organise. Further, by analysing the various resources, RMT will be useful in clearly pointing out the strengths and weaknesses for labour, whereas the GVC will foster a greater understanding of the opportunities and threats for labour. Nevertheless, neither of the frameworks is limited to dealing with only the strength/weaknesses or opportunities/threats dichotomy. GVC will also help to locate power and analyse power relations in the Kenyan flower value chain. The two frameworks complement each other well in unveiling the challenges existing for labour and the potential for changing their conditions.

The research paper will finally draw on the ideas of neoliberalism in order to draw in some concepts, like class that can cover some of the aspects not being covered by the RMT and GVC frameworks. As with the GVC analysis, a discussion on neoliberalism can also highlight some of the international factors as well as power relations that effects labour in the KFI. Contrary to the GVC framework, Harvey’s critique of neoliberalism can also explain some of the driving forces of the changes in the global economy.

2.3. Case study

The research uses a case study of the KFI to portray the potential for organising labour in a global industry. The KFI is a unique case with a specific local context, subsequently not all the findings from this case study
can be generalised. Despite this, it is interesting, due to the fact that it is one of the key sectors that offer direct employment to a large population in the country, which was estimated between 40,000-70,000 workers in 2005 (Hale and Opondo 2005, p.305). These people and their family’s livelihood are depending on the wages and working conditions in the industry. Therefore, it is interesting to look at their potential to organise and improve their own conditions. Our case study presents some of the resources that labour has when attempting to do so. The KFI can also provide an example of a sector that is well linked into a global production chain, since it is liberalised and well integrated into the global economy. Therefore, from this case study we can gain insights about how the ability to organise labour is affected by a GVC. In such manner, our case study becomes an exemplification of some of the possible impacts that global neoliberalism can have on the lives of a local actor.

This paper will not be able to compare with other industries or countries. Hence, the paper cannot conclude whether these are unique or generalisable. Such a judgement will be up to the reader and future researchers to make.

2.4. Sources of data

The research employs both primary and secondary sources of data. We use transcripts of interviews conducted by Lone Riisgaard in 2011 and 2012 as our main primary source of data. Interviews were conducted with branch secretaries in KPAWU. In this project, they will be called Branch A, B and C in order to keep their wished anonymity. The interview with Branch A was conducted 20/7/2011, Branch B was conducted 21/7/2011 and Branch C was conducted 6/3/2012. On the 7/3/2012 a group interview was conducted with seven shop stewards from five farms in the area of Branch A. The same day a verbal questionnaire was conducted with farm managers in the area of Branch A. These interviews are essential as a source, in particular, when it comes to data on membership, because these are hard to obtain from academic papers and online sources such as the websites of International Labour Organisation (ILO), Kenyan Plantation and Agricultural Workers Union (KPAWU) and Central Organisation of Trade Unions (COTU). This is largely due to the limited online presence by KPAWU and COTU. Since the membership numbers has been obtained through interviews rather than databases, they are not as exact as preferred. Further, it is worth noting that there might be biases in the membership data, which for example can be seen in the contradictory claims on whether the membership is generally increasing or declining. According to the numbers given by KPAWU branch secretaries, there is a general trend towards a greater degree of KPAWU membership at the farms. The picture is different if you ask the managers, who see a declining or stagnant trend.
Secondary sources of data in this paper will include reports from trade unions and labour NGOs. Specifically, a report published by the Kenya Human Rights Commission (KHRC); ‘Wilting in Bloom: The irony of women labour rights in the Kenya cut flower sector’ will be used to uncover some of the existing circumstances in the industry. Similarly, we use a publication by the union: KPAWU Strategic Research Project. However, we use these reports with caution, since they could be biased in their various views and reflect differing opinions about the union and the industry. Both reports are written with an agenda to promote the cause of the workers. Also, the KHRC report could be negatively biased towards KPAWU, since the two organisations can been viewed as competing over representing the workers.

2.5. Limitations of the study

Our study of the Kenyan flower industry was limited by various factors. Firstly, we were greatly constrained by time and financial resources. We would have wished to go to Kenya and conduct field research, but we did not have much time due to the short period of writing the project. Because of this, we were unable to collect first hand primary data by ourselves. However, we have tried to counter this limitation by collaborating with Riisgaard, who was helpful in assisting us getting access to the materials (in form of interviews) she had collected during her study, which has been our major source of primary data. Secondly, because of time constrains, we have narrowed our focus down and chosen theories we thought would suit our study. This has limited our scope of study as discussed in the analytical part of the paper. To counter this limitation, we have put an extra chapter of discussion through which we discuss some of the major concerns. We also experienced a lot of difficulty with regard to collecting information about the trade union in KFI due to lack of official contacts or website on their part.
3. Descriptive Section

3.1. Industrial Development of the Kenyan flower industry

The Kenyan flower industry emerged in the 1970’s together with the horticultural subsector but picked up in the 1980s when the leading exporters started commercial rose cultivation. At this time however, the industry was typified by low value and simple open field flowers without much varieties. In the 1990’s there was a significant growth in the KFI with a shift to higher-value flowers grown in greenhouses and expansion in the growing area (Hornberger et al. 2007, p.17). “By 1999, Kenya was exporting about 100,000 tons of horticultural produce, a 10x increase from 1975 with cut flowers accounting for about 37% of this volume” (Jensen 2005 in Hornberger et al. 2007, p.17). The sector has continued to benefit from increased foreign investment especially from Israel and Holland and most of the leading flower producers are owned and managed by expatriates (Hornberger et al. 2007, p.17). These increased investments in the sector have boosted the technology, production skills as well as market proficiency in the industry. In present day, the flower sector is the fastest growing sector in the Kenyan economy and the second largest foreign exchange earner in the country after tea (Hale and Opondo 2005, p.305).

3.1.1. Kenya’s competitiveness in world cut flowers market

The global production chain of flowers comprises actors both from the North and South. Hence, trade is governed by South-North flows with the largest consumer markets being Europe and North America while most producing countries come from the equatorial regions (Rikken 2011, p.3). Kenya has been one of the top five flower exporters over the past ten years with the other significant players being Ecuador, Israel, Colombia and the Netherlands (ibid). The KFI is therefore a significant component of the global production chain. Although the Kenyan flower industry accounts for a small percentage (approximately 6%) in the global flower production, the industry has exhibited the fastest rate of growth among the top flower exporters (Hornberger et al. 2007, p.15). Over the past decades, there has been tremendous growth in the cut flower industry in Kenya making it the third largest exporter of flowers in the world both in terms of value and volume (see figure 1).
Figure 1: Area, export volume, export value and main destinations for the Kenyan flower industry

![Figure 1: Area, export volume, export value and main destinations for the Kenyan flower industry](image)

The production area for flowers in Kenya as indicated in the table above has increased to a large extent since the beginning of the 21st century. According to Rikken (2011, p.5), the KFI’s production area lay between 750 to 1,000 hectares in the year 2000. At this time, the industry was exporting about 38 thousand tons of flowers (ibid). The production area has continued to increase tremendously over the years with a rise from 2000 hectares in 2004 to about 3400 hectares of flowers (greenhouse and outdoors) in 2010. A significant growth has also been witnessed in the export value which has more than doubled between 2004 and 2010 (see figure 1). The current trend in the KFI witnessed from 2010/2011 is that many farms are switching from producing a small variety of flowers to a diverse variety because of the market demands for an assortment in production, which has further facilitated increase in the production area (Rikken 2011).

3.1.3. Kenya’s competitiveness in EU cut flowers market

The European Union (EU) accounts for about 70% of the global flower imports (EUROSTAT database 2007 in Hornberger et al. 2007, p.15). The market is dominated by the Netherlands, because it has a large re-export market coming from the Dutch flower auction market (Hornberger et al. 2007, p.15). “Excluding intra-EU trade, this market is about EURO 695 Million, which accounts for about 15% of the world market share [...] with Kenya being a dominant exporter and has 38% market share” (Hornberger et al. 2007, p.15) see figure 2. In the E.U, the Netherlands is the most important market for the Kenyan flowers followed by the UK (Rikken 2011, p.5).
Figure 2: Cut flower exports into EU market (excluding intra EU-trade)

Note: Bubble size proportional to absolute export value
Source: Trade Competitiveness Map - International Trade Centre (UNCTAD/WTO); Team Analysis (Hornberger et al. 2007, p.15).

3.1.4. Kenya’s regional competitiveness

Over the past years, Kenya’s flower industry has remained dominant over the other flower exporters in the Sub-Saharan African region; hence, ranked as the biggest exporter in Africa (Rikken 2011, p.5). In 2005 for example, the value of Kenya’s flower exports were 2.6 times greater than the combined exports of its next 6 competitors in the region (see table below).

Table 1: Major Sub-Saharan Africa flower exporters

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<tr>
<td>Kenya</td>
<td>267</td>
<td>38%</td>
<td>11%</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>32</td>
<td>5%</td>
<td>-18%</td>
</tr>
<tr>
<td>Uganda</td>
<td>22</td>
<td>3%</td>
<td>15%</td>
</tr>
<tr>
<td>South Africa</td>
<td>16</td>
<td>2%</td>
<td>14%</td>
</tr>
<tr>
<td>Zambia</td>
<td>13</td>
<td>2%</td>
<td>-8%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>10</td>
<td>1%</td>
<td>77%</td>
</tr>
<tr>
<td>Tanzania</td>
<td>5</td>
<td>1%</td>
<td>-14%</td>
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(Nota: EU25 Market Share excludes Intra-EU Trade
Source: EUROSTAT database (2007)

(Hornberger et al. 2007, p.16)
However, Kenya’s dominance in the region is being challenged by Ethiopia whose flower industry has experienced the fastest growth rate between the year 2001 and 2005 (Hornberger et al 2007, p.16).

### 3.2 Producers in the Kenyan flower industry

According to Dolan et al (2005, p.15) there are over 500 producers growing cut flower in the KFI. The growers can be classified into three different categories: large-scale growers, medium-scale growers and small-scale growers (KHRC 2012, p.13). The large scale growers refer to farms that range between 20 to over 100 hectares under production with a labour force of between 250 and 6000 workers. These large-scale growers are supplemented by approximately 50 medium scale commercial growers and an estimated 500 small growers (Dolan et al. 2005, p.15) as indicated in the table 2. We take note of the fact that the numbers might have changed over the years but the table gives an idea of the difference in size of the sub-categories of producers. Export production in the industry is concentrated on about 60 medium to large scale flower operations of which 25 largest producers account for over 60% of the industry’s total export (ibid).

**Table 2: Kenyan cut flower producers**

<table>
<thead>
<tr>
<th>Category</th>
<th>Approximate production area and crop</th>
<th>Typical Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large producer-exporter</td>
<td>&gt;20 ha. of protected production plus open field production.</td>
<td>Manage own export operations</td>
</tr>
<tr>
<td></td>
<td>Sophisticated infrastructure, expatriate management.</td>
<td>May buy in from outgrowers</td>
</tr>
<tr>
<td></td>
<td>Rose + carnation + open field flowers</td>
<td>Diversified markets including direct sales to supermarkets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Large employers (250 – 6000 staff)</td>
</tr>
<tr>
<td>Small - Medium sized producers</td>
<td>2-20 ha. including up to 10ha of protected production.</td>
<td>Own export and/or act as outgrowers</td>
</tr>
<tr>
<td></td>
<td>Sophisticated infrastructure.</td>
<td>May in turn buy in from outgrowers</td>
</tr>
<tr>
<td></td>
<td>Mostly rose + some open field flowers</td>
<td>Sell through auction system, limited direct sales</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employment: ~100 staff</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Account for 20-30 percent of exports</td>
</tr>
<tr>
<td>Smallholder producers</td>
<td>0.25-2 ha. open field crops, particularly alstromeria</td>
<td>Act as outgrowers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product sold through auctions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low input system with very little investment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mostly family labour</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Account for 5-10 percent of exports</td>
</tr>
</tbody>
</table>

Source: Updated from Flowfield et al., 1998

(Dolan et al. 2005, p.16)

Several authors have conducted GVC analysis on the KFI. Figure 3, adopted from Hornberger et al. (2007), can give an impression of how the KFI is structured. In the farming node there are three sub-categories of flower growers as described above. The large farms are themselves also dealing with post-harvest handling. This can be for economic reasons, but more importantly it is to some extent a requirement from
the supermarkets in the North, who wants the flowers packed in a particular way when they arrive in the shop. Flowers are delicate products that cannot like other products be repacked numerous times, so they need to be packed straight after harvesting (Mitiambo 2009, p.12). Some small and medium scale farmers are selling their produce to a packer/processor. Others are organised in cooperatives or sell it to more informal merchants, who then sell the flowers to the packer/processor or directly to the freight forwarder. The transport node is of particular importance in the KFI, because the flowers need to be kept refrigerated (Riisgaard 2009, p.328). From here it can get sold to the home market or exported. Some large scale growers sell directly to large retailers in particular UK Supermarkets. Here, it should be noted that figure 3 below fails to capture this aspect. This is something that is captured by figure 4, which is made by Riisgaard and Hammer (Riisgaard 2009, p.14 in Riisgaard 2009) also incorporate some other important aspects. Unlike the figure by Hornberger et al., figure 4 indicates that the small scale growers also sell their products to the medium scale growers or the large scale growers. At the same time, the medium scale growers also sell their products to the large scale growers.

The Dutch auction, traditionally and still the biggest distributor of flower sales to mass market retailers i.e. supermarkets and independent retailers as well as re-exporting to other countries mainly in the EU. The final product is used by the consumer for own use, gifts and on special occasions. The use of flowers is related to emotional exchange and communication. Flowers are used to say “Thank you”, “I’m sorry”, “Congratulations”, “Condolences” and so on. Therefore associations attached to the product become very important.
Figure 3: Kenya’s cut flower value chain by Hornberger et al.

(Hornberg et al. 2005, p.18)

Figure 4: Kenya’s cut flower value chain by Riisgaard and Hammer

Riisgaard and Hammer (p.14 in Riisgaard 2009)
3.3. Actors in the Kenyan flower industry

This section seeks to introduce the key actors in the Kenyan Flower Industry. The intention is to give an overview of how the industry is structured and aid in an understanding of the landscape the labour actors operate in.

3.3.1. Labour NGOs

There are a number of NGOs dealing with labour issues in Kenya. The Workers Rights Alert (WRA) has been one of the most active labour NGOs in the KFI. The WRA is a coalition of NGOs that monitors the rights of workers across different industries in Kenya. The organisation was for example influential in changing the workers conditions at Del Monte Kenya by organising campaigns against the company (ETI 2005, p.6). Similarly, WRA has been in the forefront in trying to address labour issues in the KFI. In 2002, the WRA was successful in organising two conferences in Nairobi to discuss concerns in the Kenyan flower industry. The first, held in February 2005, was entitled ‘Corporate Responsibility and Workers Rights’ and the second was in May the same year and entitled ‘Human Rights and Development of International Obligations for Corporations’ (ETI 2005, p.6). At both conferences, a need for linking up with European partners in campaigning against the working conditions in the industry was emphasised (ETI 2005, p.6).

Another dominant labour NGO has been the Kenya Women Workers Organisation (KEWWO). This an organisation that also deals with human rights and advocacy but mostly geared in addressing the concerns of Kenyan women workers (ETI 2005, p.7). It has been proactive in addressing the labour concerns in the KFI. Importantly, the KEWWO has managed to partner with other NGOs in Europe for example the Women Working Worldwide (WWW) (ETI 2005, p.6). In 2002, the WWW organisation funded KEWWO to conduct a survey on violation of labour rights on the KFI, which was done between May and September 2002 (ETI 2005, p.6). During the survey, 120 workers were interviewed and the findings were utilised as a start point by the ETI to point out evidence of labour rights violations, hence need for action (ETI 2005, p.7). Such a report, despite its biases, is an essential tool when wishing to spread information and mobilise support.

The Kenya Human Rights Commission (KHRC) has also been a key player in addressing labour concerns in the industry. The KHRC has been “working together with other local, regional and international civil society organisations and trade unions[...] in campaigning and lobbying for the improvement of working conditions for workers in the cut flower sector” (KHRC 2012, p.1). The contribution of the organisation can be seen in undertaking studies to investigate the level of compliance with labour rights, which can then be used in lobby and campaign activities (KHRC 2012, p.1). The organisation also does an effort of publishing research
reports of their findings. Between 2001 and 2006 for example, the KHRC was able to publish three reports namely: “Beauty and Agony: A case of Working Conditions in the Flower Industries in Kenya” (KHRC 2001); “Manufacture of Poverty: The Untold Story of EPZs in Kenya” (KHRC 2005); and “Economic Development or Human Rights? Assessing the impact of Kenya’s Trade and Investment Policies and Agreements on Human Rights”. The reports were jointly published with International Federation for Human Rights (FIDH) and Stichting Onderzoek Multinationale Ondernemingen (SOMO) in 2006 (KHRC 2012, p.1). Our research paper also uses a recent publication report by the KHRC: “Wilting in Bloom: the irony of women labour rights in the Kenya cutflower sector”. The findings of these reports reveal serious violations of labour rights by the flower sector (KHRC 2012, p.1).

3.3.2. Trade unions: COTU and KPAWU

Most trade unions in Kenya are united in a single central organisation, which is COTU that has 34 affiliated unions (Fashoyin 2010, p.10). There are other big unions in the country, however, not affiliated to COTU for example the teachers’ union. The number of members in COTU is unclear due to poor records but the union claimed a membership of about one million through its affiliates (Fashoyin 2010, p.10). KPAWU which is an affiliate of COTU is a representative of the Kenyan flower industry. It should be noted however that KPAWU represents not only the horticulture sector but all plantation industries in Kenya. This issue was also raised by Branch C (Riisgaard Interview Branch C). According to the KHRC (2012, p.30) report, KPAWU has a membership of approximately 60% of all workers in the flower industry. Other research, however, suggest that unionisation numbers in the KFI is overstated (Riisgaard and Gibbon forthcoming). These members are required to pay union fees at 2.0% of their gross wages to KPAWU plus an additional Ksh.100 directly to COTU (KHRC 2012, p.30). Since 2010 the fees has been deducted directly from their salary owing to the demands of the new labour law which requires all companies covered by the Collective Bargaining Agreement (CBA) (The Labour Relations Act, section 49 of 2010). Such high financial demands on the side of the workers may have implications on their chances for proper organising as we discuss in another section of the paper.

3.3.3. Business associations

There are several social and environmental standards being offered by different actors in the Kenyan flower industry. According to Riisgaard, “two industry organisations exist for cut flower farmers - the Kenya Flower Council (KFC) and the Fresh Produce Exporters Association of Kenya standards (FPEAK)” (2007, p.24). Each of these organisations has its own social and environmental standards. In 2006 the KFC had a membership of about 50 farms which accounted for approximately 70% of the total export of the industry and had to
adopt the KFC standards as a mandatory requirement. The FPEAK on the other hand, has about 80 cut flower producer members most of them being in the small-medium category. However, the option of joining the FPEAK code of practice is voluntary for them (ibid). Further, most farms are also members of the Agricultural Employers Association (AEA), which has a sector-vide CBA with KPAWU (Riisgaard 2007, p.24).

### 3.3.4. Multi-stakeholders: HEBI

The concerns raised by the survey of the KEWWO in 2002 regarding the poor working conditions in the Kenyan flower industry gained a lot of attention from the Kenyan press. The concern about the reputation of the sector in the northern markets propelled various stakeholders to get together to discuss the labour practices in the sector (Dolan et al. 2005, p.59). A multi stakeholder steering committee was hence established in Kenya with an aim at improving social standards in the horticulture industry (Dolan et al. 2005, p.58). “This initiative – the Horticultural Ethical Business Initiative (HEBI) – aims to ensure that the auditing process is inclusive of all stakeholders (industry, NGO, trade associations/employers and government) who come together to identify problems and to develop solutions for improvement” (ibid). It is important to note that the unions have ever since declined to join the initiative despite being invited (Dolan et al 2005, p.59). This may indicate lack of cooperation between the union and other actors in the KFI. “There are also a number of observers, including the ETI, DFID, the United States Agency for International Development (USAID), the Royal Netherlands Embassy and Africa Now (an international NGO)”. The aim of HEBI is to systematise a multi-stakeholder approach to the implementation of code in the sector and it has continued to receive a lot of support from the Kenyan government (Dolan et al. 2005, p.59).

### 3.4. Codes in the Kenyan flower industry

Over the last decade, there have been campaigns about social and environmental conditions in the flower industry propelled by national and international trade unions and NGOs (ETI 2005, p.6). The campaigns entailed raising awareness among consumers in market countries about the conditions of industries in the flower producing countries. The KFI has been one of the key targets for campaigns both locally in Kenya and in Europe demanding better environmental and social conditions (Riisgaard 2008, p.18). As a result, the KFI has adopted various private social and environmental standards in response to the criticised working conditions. Most of these standards come from Europe, but a variety of standard initiatives has occurred within Kenya (Riisgaard 2007, p.21). Initially, the codes mostly covered technical issues such as chemical usage and environmental management. The social components of codes relating to workers’ welfare are a more recent addition (Barrientos et al. 2003 in Riisgaard 2007, p.21). According to Dolan et al. (2005, p.17)
the codes in Kenya can be understood through their various origins. The codes can be divided into company codes, sectoral codes and multi-stakeholder codes.

Company codes refer to codes that were established mostly in the mid-1990’s by major importers and retailers for purposes of brand definition, quality and safety assurance. These include unilateral codes of conduct like ‘responsible sourcing’ by Waitrose, the Co-op’s ‘Sound Sourcing’ and Tesco’s ‘Nature’s Choice’ (Dolan et al. 2005, p.17). Sectoral codes, on the other hand, can be understood from two viewpoints: the northern sectoral codes and the southern sectoral codes. Riisgaard explains the different types of codes as below:

“Northern sectoral standards include standards developed by the European Retailers Producers Working Group for Good Agricultural Practice (EUREGAP) and the MPS certification scheme developed by the Dutch flower industry. MPS is primarily an environmental standard (MPS-A, B or C) but has an optional ‘social qualification’ (MPS-SQ) and optional ‘good agricultural practice’ (MPS-GAP)[..] while Southern sectoral standards include the Kenya Flower Council (KFC) and the Fresh Produce Exporters Association of Kenya standards (FPEAK)” (2007, p.23).

Over the years various multi-stakeholder initiatives have also emerged. Most UK supermarkets are also members of the Ethical Trading Initiative (ETI) apart from having their own codes (Riisgard 2007, p.24). The ETI is an initiative that was developed by a group of companies, trade unions, and NGOs. Other examples of northern driven multi-stakeholder include “the International Code of Conduct for Cut Flowers (ICC), the Max Havelaar and Fairtrade Labelling Organisation criteria for fairtrade cut flowers (FLO), the German Flower Label Programme (FLP) and finally the newly launched Fair Flowers and Plants (FFP) label” (Riisgard 2007, p.24). An example of a southern developed multi-stakeholder standard initiative could be The Kenyan Horticultural Ethical Business Initiative (HEBI). For more information about the codes (see appendix 2).

3.5. Employment structure in the Kenyan flower industry

The KFI is one of the key sectors that offer direct employment to a large population in the country which was estimated between 40,000-70,000 workers in 2005 (Hale and Opondo 2005, p.305). The employment potential of the industry has definitely expanded since 2005 given the witnessed growth of the industry from 2004 to 2010. Two major characteristics dominate the employment structure in the Kenyan Flower industry. First, the industry is characterised by a high level of non-permanent work which implies that most workers are employed under temporary, seasonal and contractual terms. The high level of informal labour
in the KFI can in part be attributed to the seasonal nature of the flower industry with peak periods during the year. The high seasons for production include periods around Valentine’s Day, Mother’s Day, Christmas holidays and Easter holidays. According to Barrientos et al (2005), most farms tend to rely on seasonal labour because of the need to cut down on production costs. A cost cutting strategy, which is greatly influenced by the power relation structure of the industry.

On the whole, working in temporary positions indicates a high level of job insecurity. Workers in these positions are usually more vulnerable to potential dismissal from their jobs which may take place even with the absence of official warnings. Dismissals are done on the basis of presumed poor work performance, poor market performance and during incidences of pregnancy, sickness or even injury (Dolan et al. 2005, p.33). Some workers in the KFI are kept casualised by being on short term contracts that are constantly renewed. Evidence from more recent research, however shows a trend towards employment stability, whereby many of the permanent positions are being recruited from the temporary workforce (Riisgaard and Gibbon forthcoming).

Secondly, the KFI is dominated by women, who form the greatest percentage of workers in the sector as indicated in table 3 below. Women dominate the most labour intensive aspects of production where they are required to work for long hours and are exposed to job insecurity (Dolan et al. 2005, p.11). According to Standing (2007 in Cohen and Kennedy 2013, p.135) the global labour market are becoming increasingly precarious due to the informalisation of labour. To Standing, the informalisation of global labour market is almost a synonym of a feminisation of the labour market. The entering of women in the global production chain is not unique for the flower industry in Kenya. Neither is it unique with a percentage of women in the fresh food industry in general. In Kenya in the general fresh food production women constitute 75% of the workforce. In Colombia and Zimbabwe, two countries that also participate in GVC concerning fresh food, the numbers are 65% and 87% respectively (Cohen and Kennedy 2013, p.148).

Table 3: Estimates of temporal and female employment in Kenyan flower industry

<table>
<thead>
<tr>
<th>Total Employment</th>
<th>% temporary, seasonal, casual workers</th>
<th>% female workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>40,000-70,000</td>
<td>65%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: Adapted from Smith et al. (2004, p.3)
3.6. Working conditions in the Kenyan flower industry

According to a report of UK’s Ethical Trade Initiative (2005) on labour practices on Kenyan flower farms, several aspects in the KFI affect the overall working conditions. We take note of the fact that the report dates back to some several years ago, hence may not be a pure reflection of the situation of the industry today. Our intention of using this report, however, is to show some of the problems that may surround working condition in the KFI. Over the past years, there may be improvements in some of the issues pointed out by the report, but it is our conviction that some of the issues still exists to a larger or lesser extent.

This ETI report is established from the findings of a delegation’s visit to the flower farms in Kenya, which supply their products to ETI member companies in the United Kingdom. The report points some concerns to be impacting on the working conditions of the workers in the KFI (see table 4).

Table 4: Issues impacting working conditions in the Kenyan flower industry

| • low pay   | • unfair dismissal |
| • lack of adequate housing | • excessive overtime |
| • health and safety issues in particular with regard to pesticide spraying | • deductions from pay |
| • sexual harassment(by supervisors) | • lack of freedom of association |
| • lack of severance pay | • lack of contracts |
| • short term contracts | • social security payments not met |
| • lack of maternity leave | • abusive supervisors |

As indicated in the table 4, the ETI report (2005, pp.8-10) pointed out a lack of freedom of association and right to collective bargaining as one of the problems workers faced in the KFI. Precisely, workers’ ability to join unions was constrained and attempts to do so would mean job loss on the part of the workers. Secondly, the living wages for the workers were fairly low coupled with unfairness in the payment procedure for example deductions made from wages. The implication for low wages will be dealt with in the resource mobilisation analysis. Thirdly, workers were not fully compensated for overtime work and compelled to work for long hours without breaks during peak periods which limited time with the families (especially for mothers). Overtime and not having permanent hours is important in relation to how much time can be channelled into trade unionism. Fourthly, the supervisors were reported to be exercising
discrimination, sexual harassment and verbal abuses to the workers, which greatly affect their job morale. Intimidation can also potentially affect the willingness to engage in organisational work. Fifthly, it was reported that workers mostly worked under unsafe and unhygienic conditions posing a threat to their health. Dolan et al. (2003, p.9) point out other issues affecting the working conditions. These include poor communication between the managements and the workers which is heightened by the highly hierarchical structure dominated by male powerful supervisors. Additionally, most workers lack a clear understanding of their various working rights, the codes governing the industry and the national legislation relevant for them.
4. Analytical Section

4.1 Resource mobilisation analysis

This research draws insight from the ideas and assumptions of the RMT, which is a social movement theory, to uncover the challenges hindering the potential for organising labour in the KFI. According to this theory, the success of a social movement is determined by its ability to mobilise certain economic and political resources. McCarthy and Zald define social movement as “a set of opinions and beliefs in a population which represents preferences for changing some elements of the social structure and/or reward distribution of a society”. They also define a countermovement as “a set of opinions and beliefs in a population opposed to a social movement” (1977, p.1217). RMT emerged in order to overcome some of the challenges faced by traditional social movement theories such as mass society theory, relative deprivation and collective behaviour theory. These were centred on macro-explanations and pointed to the sudden increases in individual grievances generated by the "structural strains" of rapid social change. The shared assumptions of these theories were that “social movement participation was relatively rare, discontents were transitory, movement and institutionalized actions were sharply distinct, and movement actors were a rational if not outright irrational” (Jenkins 1983, p.528). The so-called new social movements of the 1960s and onwards dramatically challenged these assumptions (Cohen and Kennedy 2013, p.344).

4.1.1 Underlying assumptions of resource mobilisation theory

According to McCarthy and Zald (1977, p.1216) various assumptions have been used to explain the RTM since its development. The theory assumes that a study on the aggregation of resources, basically money and labour, is very essential in comprehending activities of any social movement. This is important because it is difficult to engage in a social conflict without resources, hence a need to aggregate them for collective purpose. In other words, it is not sufficient to hold or have access to resources, the movement must also mobilise them. Additionally, aggregation of these resources according to RTM further require some kind of organisation. RMT further emphasises the assessment of the success or failure of a social movement dependent on the involvement of individuals and organisations, who are external to the collectively the movement represents. In other words, it is essential for the social movement to create alliances with other actors.

It is not sufficient to only have the resources, however the resources need to be mobilised and this can be done using the categories as follows: adherents, bystanders, constituents and opponents. Adherents refer to people and organisations who believe in the goals of the movement whereas constituents are those who
provide resources for the movement (ibid, p.1221) Bystanders on the other hand are mere witnesses to activities of the movement (Turner 1970 in ibid). According to the theory, a movement can be able to mobilise resources by directing its efforts in converting adherents into constituent and/or turning non-adherents/bystanders into adherents (McCarthy and Zald 1977, p.1222). This implies that a group can become a part of the movement, or move from being a bystander to an adherent, despite not sharing the same grievances.

According to Jenkins, RMT assumes that actors are rational, which means they are able to apply adaptive responses to cost and rewards of different lines of action. He further argues that the theory assumes that the grievances caused by the conflicts of the institutionalised power relations are “sufficiently ubiquitous”, which means the formation of movements i.e. articulation of the grievances depend on the ability to mobilise resources (Jenkins 1983, p.528). Therefore, actors do not necessarily become part of a movement merely by sharing certain grievances. This is a challenge to the view embedded in structural approaches such as the relative deprivation theory, which is much more deterministic. Additionally the RMT regards centralised, formally structured movement organisations as more typical of modern social movements and more effective at mobilising resources and mounting sustained challenges than decentralised, informal movement structures. Lastly, according to RMT, the success of movements is largely determined by strategic factors and the political processes in which they become enmeshed (ibid).

McCarthy and Zald (1977) distinguish between the traditional approaches to social movements and RMT. By traditional theory they refer to the more structural and deterministic perspectives preceding RMT. Some of the main differences can be illustrated by the table below.
### Table 5: Differences between traditional social movement theories and resource mobilisation

<table>
<thead>
<tr>
<th>Topic/aspects</th>
<th>Traditional theory on social movements</th>
<th>Resource mobilisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support base</td>
<td>Based upon aggrieved populations which provide the necessary resources and labour.</td>
<td>May or may not be based upon the grievances of the presumed beneficiaries. Some provider of money, facilities, and even labour may have no commitment to the values that underlie specific movements.</td>
</tr>
<tr>
<td>Strategy and tactics</td>
<td>Leaders use bargaining, persuasion, or violence to influence authorities. Tactics depend upon prior history of relations with authorities, relative success of previous encounters, and ideology. Tactics are also influenced by the oligarchisation, institutionalization of organisational life.</td>
<td>Mobilising supporters, neutralising and/or transforming mass and elite publics into sympathisers, achieving change in targets. Choice of tactics can conflict the achievement of one aim with another. Moreover, tactics are influenced by inter-organisational competition and cooperation.</td>
</tr>
<tr>
<td>Relation to larger society</td>
<td>Case studies have emphasized the effects of the environment upon movement organisations, but ignored how movements can utilise society. Analytical studies emphasize the extent of hostility or toleration in the larger society. Society and culture are treated as descriptive, historical context.</td>
<td>Society provides the infrastructure which social movement. The aspects utilised include communication media and expense, levels of affluence, degree of access to institutional centers, pre-existing networks, and occupational structure and growth.</td>
</tr>
</tbody>
</table>

*Table constructed from McCarthy and Zald (1977, p.1216-1217)*

As seen above, the key differences lay in the way social movements are seen in relation to grievances, strategy and the wider society.

### 4.1.2. Application of resource mobilisation theory

We recognize the fact that RMT is not a labour movement theory but a new social movement theory. Hence it is not designed to specifically address labour issues. However, we still find some of the underlying assumptions and concepts of RMT applicable to our case. RMT goes beyond recognizing grievances as the only basis for social movements. This is relevant in our case, since one would assume very active social movements in KFI given that there have been problems with the working conditions in the industry, if the
traditional theories were to be applied. Further, labour movements, like any other movements also need to mobilise resources to be successful. As discussed later, trade unions have to learn from social movements too.

It could be argued that RMT is not applicable to labour because there may be specific characteristics that are unique for labour. Since labour has unique characteristics, the movement has unique resources, which in turn cannot be captured by the framework. An example could be the withdrawal of labour i.e. strike. However, there is nothing in the definitions or the concepts that necessarily excludes seeing strike as a resource. Strikes can, just as any other resource, be used to “mobiliz[e] supporters, neutraliz[e] and/or transform mass and elite publics into sympathizers hence achieving change in targets” (McCarthy and Zald 1977, p.1216).

Various theorists of the resource mobilisation school point out different categories of resources as necessary for a successful social movement. This research employs an analytical framework inspired by Freeman’s dichotomy of resources which are categorised as either tangible or intangible. According to Freeman (1979, pp.172-5) the tangible assets entails money, facilities and means of communication, whereas intangible or "human" assets include both specialized resources such as organising and legal skills, and the unspecialized labour of supporters. We will apply the tangible assets as defined above. With regard to the intangible assets we will concentrate on time/labour, skills and knowledge (organising and legal).

4.1.3. Analysis of resources for labour in the Kenyan flower industry

This section seeks to uncover the resources that are available for labour in the KFI as well as those they may lack. This will be done by using the dichotomy of tangible and intangible resources as indicated in table 6. The analysis is aimed at revealing some of the domestic dynamics and how they can be related to the limitations and potentials for organising labour.

<table>
<thead>
<tr>
<th>Tangible</th>
<th>Intangible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money</td>
<td>Organising skills (specialized)</td>
</tr>
<tr>
<td>Facilities</td>
<td>Legal skills (specialized)</td>
</tr>
<tr>
<td>Means of communication</td>
<td>Unspecialised labour i.e. time</td>
</tr>
</tbody>
</table>

Table inspired by Freeman’s (1979) dichotomy of tangible/intangible resources
4.1.3.1. Tangible Resources

The assessment of the tangible resources is done in relation to the different actors in the industry. These include the union, the workers and even the labour organisations. When looking at money as a resource, we examine the financial capacities for both the workers and the unions. According to the KHRC report, a limitation on financial resources is a key factor that could hinder chances for effective organisation in the KFI. Each branch of the union for example has a budgetary allowance of only KSH 4000 a month as organisational expense (2012, p.31). This is equivalent to approximately 250 Danish Kroners. It is obvious that this low amount cannot facilitate necessary requirements like transportation costs and telephone bills among other expenses. On the part of the workers, the question of wages remains one of the most contentious issues in the industry. “Wages in the sector are subject to two forms of external regulation – the Kenyan statutory minimum monthly wage for agricultural work and the higher monthly rate specified by the sector CBA (Riisgaard and Gibbon forthcoming, p.21). In May 20011 for example, the wages were approximated at KES 5100 (ibid). However, other farms applied national CBA or local one with a higher monthly wage rate. The mean May 2011 wage for example was approximated at 6947. It is difficult to reach a conclusion as to whether these wages are lower or higher than other sectors in Kenya, since data is not readily accessible (Riisgaard and Gibbon forthcoming). Regardless whether the wages in the sector are low or high, it appears that the wages of the workers are not effectively mobilised into collective action given the inefficient financial resources in the union. It can be argued that this is may be the case, because some of the union fee goes directly to COTU, whereas other funds might be collected by KPAWU, but remains on the national level and is not being channelled back for local use. However, some researchers like Dolan et al. (2003, p.9) maintain that the wages in the KFI are still low. Based on such an assumption, we can be justified to argue that several problems arising out of their low wages could hinder chances for effective organising. First of all, the workers may experience difficulties in affording financial requirements of the union for example the membership fees. With the law from 2010, a fee is deducted from the worker’s pay, regardless their membership, hence there are no cases in which member choose not to be a member for financial reasons (because they do not have the choice (!) (The Labour Relations Act, section 49 of 2010). However, it might be the case that workers are worse off with the union membership, if the union do not effectively achieve better wages (usually through CBA). In such a case the workers will have to work more hours (if paid for the extra hours at all) in order to maintain the same level of income, which leads to second problem. The low wages may compel the workers to opt for longer working hours in order to sustain their own needs. Finally, the low wages make the workers financially vulnerable. Thus, they may be reluctant to participate in activities like strikes in fear of job loss. Since the wages are too low for one to be
able to save, participating in activities that may translate in a failure to earn something for a day may not be feasible.

With reference to facilities the union lacks necessary resources like transportation facilities that are deemed important for effective organising. The KHRC report points out a case where only one motorbike existed for an entire flower growing region like Naivasha (2012, p.31). Again, we recognise the fact that the report may be bias, but this at least reveals that there are deficiencies of facilities for the union. With such limitation of even the very necessary resources like means of transport, it becomes difficult to efficiently respond to concerns, whenever they arise, hence making organisation difficult. On the other hand, the union has access to some other important facilities like avenues for training. In the past years, the union has for example been able to send its members to the Tom Mboya Labour College for extensive training. An interview with Brand secretary in Branch A reveals that KPAWU was able to send 45 (out of 150-200) shop stewards to a seven day training programme at the college as opposed to their own four day programme (Riisgaard Interview Branch A). There is evidence giving a differing picture where the union has not been very effective in facilitating the training of members. According to Riisgaard and Gibbon (2012, p. 13) 45.6% of the workers reported never having received training since induction, despite the fact that they had worked in the industry for at least two years. Even though that this training is different from the training provided by KPAWU, some of the areas covered are relevant for workers e.g. health and safety issues.

4.1.3.2. Intangible Resources

Intangible resources or human assets can be divided into two broad categories: specialised skills and unspecialised labour. The most essential specialised skills for a successful movement consist of legal and organising skills, whereas the unspecialised labour can be equated to ‘time’.

When trade unions train their members, shop stewards and other representatives, they upgrade their skills – both legal and organising. As such, the training received by the 150-200 shop stewards in Branch A is a good example. In this case, the shop stewards who received the training are better equipped to deal with local disputes, since they have better knowledge of their rights, the statutes of CBAs and the legal procedures if an agreement with the management cannot be reached. This in turn can positively affect their ability to organise their co-workers. Since they are aware of their rights, they are able to identify when they have been violated. Also, because they have something “to offer” their co-workers (their knowledge), they are more likely to be entrusted by their colleagues. This can enable them to better organise their co-workers.
There is also other evidence that the trade unions in Kenya, as the main actor for organising labour, have access to legal skills. The unions can raise issues at the industrial court, which settle disputes between the unions and the employers. These disputes range from termination of employment, redundancies recognition, terms and conditions of employment and miscellaneous applications (Industrial relations and legal services 2010, p.13). In 2010 new labour laws were implemented, which led to a significant increase in the number of disputes dealt with by the industrial court. In this year, the industrial court recorded a total of 1484 cases. This represents a significant rise in the number of cases filed at the court as compared to 2009, when there were only 851 and 226 cases in 2008. (Industrial relations and legal services 2010, p.13).

It should be noted that these numbers covers the whole labour market in Kenya. However, the point still stands out that the trade unions qua their status as a union can access the industrial court. This is an important resource to the union because they can be able to make use of the industrial court which is a neutral body and capable of handling any disputes that may arise. As such, they may not be constrained or scared to organise for example through strikes because their concerns if genuine, will be effectively addressed. However, there have been cases where KPAWU in their own words have been “unprofessional”.

This for instance happened in Branch C at one of the farms when workers had gone on a wild cat strike requesting for negotiation before Valentine’s Day and lost their jobs afterwards since KPAWU handed in a Court Order too late to have the concerns of workers addressed in time (Riisgaard Interview Branch C).

In terms of the means of communication, it was our experience that it proved difficult to obtain even basic information such as contact details. We tried to get their contact details either a website with a contact formula or e-mail address via google, facebook, wikipedia and via more official sources like the ILO but failed in doing so. Therefore, we assume there is no official website. From personal experience we know that most people in Kenya have mobile phones. Therefore we assume that on local level, communication will occur through mobile phones. Since KPAWU do have the ability to train at least some shop stewards, there must be some form of coordination on the branch level taking place, which can be assumed to be conducted with mobile phones. This somehow functioning communication seems to be limited to internal communication, whereas external communication seems severely limited. Further, there is a strict hierarchy and centralised control with communication with external actors within KPAWU. This is only being reinforced by the fact that the General Secretary of KPWAU is also the General Secretary of COTU (Riisgaard 2008, p.333). The limited external communication and access to basic information greatly hinders potentials for organising in KFI and building alliances. A website is a vital resource when wanting to create alliances along the value chain. If researchers, NGOs, trade unions in the North and most importantly consumers in North are not able to find out about even the existence of KPAWU, it becomes practically impossible to forge new partnerships. In Turner’s terminology, it becomes difficult to transform the
adherents, e.g. NGOs and consumer organisations that are not yet dealing with labour rights, into constituents. Or for that matter spread general information which in turn could mobilise bystander publics, e.g. customers in the North, into adherents. A lack of these communication channels hence affects chances for mobilising support along the chain, which is essential when wanting to change the conditions of workers. Here, two points can made, both which will be elaborated later in the paper. Firstly, the labour NGOs are essential in communication to the consumers in the North. Secondly, since the production chain is global, power is no longer merely located at the production site; hence a successful exercise of power by labour cannot be confined to strikes and other actions that directs its focus on the local production site.

4.1.3.3. Membership

Membership is a vital resource for any trade union. The members can be seen as constituents and adherent simultaneously. They are constituents since they provide their time i.e. labour, which is a resource. They also believe in the cause, or at least in theory, of the organisation, hence can be seen as adherents. Membership is in other words both a resource that is mobilised and can be mobilised. As constituents they contribute with the tangible resource, money. As adherents they can potentially contribute towards improving the working conditions by offering their labour (time) in campaigns, mobilising their colleagues etc. Further, it is also amongst the rank-and-file members that the shop stewards are found and they are the ones the union considers in terms of training and recruitment of branch representation.

There is another, even more crucial, reason why membership is a vital and special resource for trade unions: If there is more than 50 % membership at a workplace the union, KPAWU, obtains the right to bargain wages on behalf of the workers i.e. union recognition. This enables trade unions to push the flower farm to agree to a CBA, which in theory is expected to improve working conditions and wages. Moreover, union recognition should, on paper at least, increase workers representation. Coming from a critical perspective, one could argue that more influence to the trade union in the form of increased membership of the trade union and the increased numbers of CBA at the farms, may not transform into improvements for the workers. Nevertheless, it is merely the purpose here to illustrate that the resource of membership and making CBA agreements with companies is a resource that is unique for labour. No other social movement organisation can gain such significant influence merely and (almost) automatically through membership.

Table 7 is an illustration of interviews of branch secretaries conducted by Lone Riisgaard in 2011 (Branch A and Branch B) and 2012 (Branch C). Several points are worth noting here. First of all, in 2010 the new labour law was passed, which has already been mentioned (The Labour Relations Act, section 49 of 2010).
Despite how unprecedented such a law is, this paper does not intend to discuss such details. For the purpose of this section, it is sufficient to note that there has been a large increase in membership as a result of the law, because the workers are paying the fees anyway (Riisgaard Interview Branch A). Such an increased membership, even though it might not be very legitimate, could still be used as a resource by the union whereby the adherents can be converted into constituents. Secondly, the membership seems to be concentrated on few farms, which might allude to the fact that once the union got the foothold at a farm, they can expand their activities. Thirdly, they lost all their members at one farm due to “unprofessional” handling the dismissals of workers, who were dismissed after a wild cat strike (Riisgaard Interview Branch C). By this example, we can see how membership is not only a resource in itself, but also a result of how the union is doing. Finally it can be argued that there is a general increase is membership. However, this point is disputed by the verbal questionnaire conducted with managers at 12 farms in Branch area A showing that there was an increase in membership in only one farm. At the same time, there was a decline in membership at four farms, three farms had a stable KPAWU membership and four farms had no KPAWU members. Here, it is important to note the contradiction experiences of the size of the membership are biased. The branch secretaries want to boost the number of members, because it increases their bargaining power. The farm managers seek to tone down the numbers for the same reason.

Table 7: A summary of Riisgaard’s Interviews in A, B and C

<table>
<thead>
<tr>
<th>No. of workers</th>
<th>Branch area A</th>
<th>Branch area B</th>
<th>Branch area C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>2006: 10,000-12,000</td>
<td>2011: 15-20,000 on 20 farms (mainly the larger farms).</td>
<td>2012: App. 3,110 members³</td>
</tr>
<tr>
<td></td>
<td>2011: “approaching” 20,000²</td>
<td></td>
<td>At 3 farms there are 100% and at 1 farm is 93% membership.</td>
</tr>
<tr>
<td></td>
<td>35-40,000 on 75 different farms</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>App. 50,000 at the large farms</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>– these are not just flower farms</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>App. 5,880 workers distributed on 8 farms¹</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ These numbers are added up from the information given in the interview.

² A large proportion of the increase, around 4,000 new members, came from November 2010 with the implementation of the new law that force the companies to deduct the membership fee from the wages of the workers (The Labour Relations Act, section 49 of 2010).

³ Most of the workers have been organised in 2006-2007 and 2010-2011 for what reason we don’t know. The workers being organised in 2010-2011 might be explained by the law.
4.1.5. Alliances with NGOs

There are several resources that NGOs have which the KPAWU lacks. As already mentioned the deficit of means of communication hinders the ability for KPAWU to come in direct contact with consumers in the North. In this regard, labour NGOs are specialised in mobilising support and pushing through their agenda by sharing information through reports, videos, poster, online petitions, conferences etc. In other words, their main method of pursuing their agenda is by sharing information about some specific concerns. This is not different for labour NGOs in Kenya such as the KHRC. With changed consumer demands and increased focus on social and ethical standards, keeping the brand intact is vital for a company’s performance. NGOs can therefore exploit the fact that a successful campaign with media can put the companies under the spotlight (Guardian 1/4/2011). The labour NGOs in Kenya also have another vital resource, namely a direct link to NGOs in the North. For an NGO in Kenya it is almost impossible to convert the bystander public in the North i.e. the consumers into adherents, because they the Kenyan NGOs do not have access to take part in the public debate in the North i.e. takes part in the public debate and be part of the public sphere (Calhoun in Smelser and Bates 2001; Islamoglu in Smelser and Bates 2001) NGO’s in the North have much better access to communication with consumers and participation in the public sphere in the North, hence creating partnerships becomes vital if wanting to mobilise groups like consumers. The link to the Northern NGOs also gives the Kenyan NGOs access to funding both directly from the Northern NGOs and indirectly from larger donors, since the North/South partnership allows the NGOs to apply for funding from donors like Danida (see funding guidelines for Civil Society Fund 5/12/13). As already established this tangible resource is essential for an effective social movement. Further, the North/South partnership also gives access to training. These might not be labour specific although still relevant for the improving the intangible resources such as campaigning and communication skills (see Action Aid 5/12/13).

There are other reasons for making alliances between NGOs and trade unions. However, these relate to the change in the location of power as well as the relocation in the face of neoliberal globalisation. Hence, it goes beyond what can be captured by the resource mobilisation theory. Thus, the neoliberal globalisation, the location of power and the ability for labour to challenge will be discussed further in the final discussion on neoliberalism. Moreover, the analytical section on global value chain will also discuss the location of power, when outlining how the governance structure and its inherent power relations affect labour.

To sum up, we have used Turner’s categorisation of adherent, constituent and bystander public to see how resources (intangible as well as tangible resources) can be used to mobilise groups moving from one

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4 See for example the video by Guardian Films, which is funded by Christian Aid.
5 Civil Society Fund is fully funded by and operates under Danida. The Action Aid in Kenya is for example a platform through which NGOs provide training on various aspects like social activism.
category to another e.g. bystander to adherent. Merely judging from the resources available and their ability to mobilise groups, one could conclude that NGOs are more suited for operating in the global production chain than trade unions. However, there are unique features of the labour movements, which has been reflected by this analysis. This can be contributed to the nature of the theory.

4.1.6. Sub-conclusion

In conclusion, we have used freeman’s dichotomy of tangible and intangible resources to uncover the kind of resources available and possibly mobilised for labour in the KFI. We have also tried to analyse how the resources impact on the ability to achieve their goal. From our analysis, we have established that the KFI lacks most of the tangible resources that are essential for effective organising. First, both the workers and the unions lack financial capabilities to engage in proper organising. Additionally, there is a deficiency of facilities necessary for organising purposes and at least from our own experience, we have established that the different actors also lack an efficient means of communication. Further, we have established that there are several intangible resources existing in the KFI which can be optimized for organising purposes. The union for example has access to legal skills through the industrial court which is able to mediate in case of any disputes. They also have access to and mobilised organising skills through their access to the Tom Mboya Labour College by which members can acquire skills that could be useful for organising purposes. Lastly, membership as discussed above is an essential and important resource to the union and imperative for organising as well because they can contribute both time and money. Members are also the ones who would potentially receive further training hence skills.

4.2. Global Value Chain Analysis

4.2.1. Introduction to global value chain analysis

The GVC displays the linkage and integration of firms, workers and consumers around the world into the global economy. Since the evolution of the global production networks many countries, especially the developing countries like Kenya, have been motivated to insert themselves into the global economy, since they find it essential for propagating their development (Gereffi and Fernandez-Stark (2011, p.2). The GVC framework therefore provides an understanding of the organisation of global industries and also reveals the structure and positions of dissimilar actors involved in a specified industry. The GVC framework focuses on the sequences of value added within an industry, from conception to production and end use. It
examines the job descriptions, technologies, standards, regulations, products, processes, and markets in specific industries and places, thus providing a holistic view of global industries both from the top down and the bottom up. (Gereffi and Fernandez-Stark (2011, p.2). The earlier use of the GVC framework focused principally on economic and competitiveness issues, while recently, social and environmental dimensions have been incorporated into the framework. The GVC can be analysed through four key dimensions; “an input-output structure, which describes the process of transforming raw materials into final products; a geographical consideration; a governance structure, which explains how the value chain is controlled and coordinated; and an institutional context in which the industry value chain is embedded” (Gereffi and Fernandez-Stark (2011, p. 4).

In order to understand the power relations in the KFI, our analysis will mainly focus on the governance structure dimension. The analysis of the governance structure helps to understand the control and coordination of a chain where different actors possess unequal amount of power. Our analysis in this research will therefore aid to uncover the trend in the shift of governance structure in the KFI and how the power relations impact the potential for labour organising. The earlier analysis of governance was done through the value chain framework (also referred to as the commodity chain framework), which was analysed through two basic typologies; producer driven chains and buyer driven chains. Buyer-driven commodity chains, according to Gereffi, are “those industries in which large retailers, marketers and branded manufacturers play the pivotal roles in setting up decentralized production networks in a variety of exporting countries, typically located in the third world” (Gereffi 1999, p.1). The buyer-driven chains analysis basically points out the powerful role that the large retailers, marketers and branded manufacturers have in dictating the operations within the chain, which they do by putting certain standards, regulations and protocols as requirements to be met by the suppliers. Producer-driven commodity chains on the other hand are “those in which large, usually transnational, manufacturers play the central roles in coordinating production networks [...] as is the case in capital- and technology-intensive industries such as automobiles, aircraft, computers, semiconductors, and heavy machinery” (Gereffi 1999, p.1). The global commodity chains framework however, did not adequately specify the variety of network forms in governance that more recent field research has uncovered (Gereffi et al. 2005, p. 82).

The developments of the GVC framework allows for a more elaborate analysis of the value chain governance, which is of relevance for this paper. Gereffi (1994, p. 97) defines governance as “authority and power relationships that determine how financial, material and human resources are allocated and flow within a chain.” The developed governance analysis looks at the complexity of the information between actors in the chain, the manner of codifying information for production and the level of supplier
competence as a basis for measuring and determining the governance structure (Frederick and Gereffi, 2009; Gereffi et al., 2005). Hence, a typology of five value chain governance structures is offered in this framework: markets, modular, relational, captive, and hierarchy (see figure 5).

4.2.2. Typologies of governance structures

According to Gereffi and Fernandez-Stark, the market value chain entails comparatively simple transactions which are solely governed by price rather than leading firms. In this type of chains, information regarding the specification of products is transmitted with ease and the suppliers may make products without necessarily relying on buyers input. This means that high levels of cooperation between actors is not necessary; hence, a low cost incurred in switching to new partners.

The modular value chain governance involves complex transactions that are relatively easy to codify. In this type of governance structure, the suppliers are guided by the customers’ specifications in the production. However, the suppliers still exert control over the process technology. Further, they also sell their products to a wider range of customers than say in the relational or captive model. This ensures that the switching costs are kept low and transaction –specific investments are limited. The interactions between buyers and suppliers can however be very complex in this type of governance structure. In contrast to the market value chains, relationships are essential in the modular chains because of the massive information flow across the inter-firm link. This makes information technology and standards for sharing information vital for the functioning of the modular type of governance.

In relational value chain on the other hand, both the buyers and sellers are reliant on complex information which is difficult to transmit. As a result, there is more interactions and information sharing between the actors hence a great need for trust. A mutual reliance/dependence regulated through “reputation, social and spatial proximity or family and ethnic ties” is then developed between the actors. The linkages take quite some time to develop and this increases the cost of switching to other partners. Irrespective of the mutual reliance between actors, the lead firms are still powerful in this mode of governance. The lead firms still make specifications of what they need, hence have the potential for exercising control over the suppliers. Production in this governance type would be characterized by different products defined by unique characteristics like quality or geographical origin.

In the captive value chains, small suppliers rely on a single or a few buyers, who usually posses a lot of power. In this type of governance structure, the leading firms usually exercise a lot of monitoring and control over the suppliers. This unequal distribution of power compels the suppliers to link up with buyers.
under conditions that are usually set by the specific buyers. This results in deep ties between the two actors, which consequently increase the switching cost for both actors. The core competence of the lead firms in this type of governance happens to be in more areas than solely production hence efforts of assisting their supplies to upgrade their production capacities are aimed at increasing the efficiency of the supply chain. In these chains also, ethical leadership is of key importance in ensuring the suppliers are treated in a fair manner and have an equitable share of the market price.

Lastly, the hierarchy value chains are those characterized by vertical integration and managerial control form of governance. The control flows from managers to subordinates or from headquarters to subsidiaries and affiliates of the lead firms that develop and manufacture products in-house. This is common in cases where it is impossible to codify product specifications, where the dealing involves complex products, or where highly competent suppliers cannot be accessed (ibid, pp. 9-10).

Understanding these governance types are relevant to this paper, since they illuminate how power operates in the GVC. Gereffi et al. (2005, p.88) further elaborates on this aspect of power in their framework of the value chain governance. They argue that lead firms in the captive global value chains directly exercise power on the suppliers. This control is similar to that in which the top management at the headquarters may exercise over their subordinates in an offshore subsidiary or affiliate in the hierarchy value chain governance. The high degree of control exerted by the lead firms implies that there is a wide inequality in power relations in such chains, making the lead firms (and its top management) the dominant actors. This also suggests a high level of proper coordination in such chains. This is contrasted to the relational global value chains, where there is a more balanced power distribution. The higher degree of symmetry in power, in the relational GVC, can be related to the fact that both actors in these chains contribute key competences. Coordination may as well be experienced in these chains, but it is obtained through a close dialogue between the parties, which is in contrasts to the one way flow of control and information between more unequal actors in the captive and hierarchy chains. In the modular global value chains, power unevenness remains comparatively low since both actors (suppliers and buyers) interact with multiple partners. Just like in the market value chains, it is relatively easy to switch customers and suppliers in this chain. This is further illustrated in figure 5 below which shows the five global value chain types displayed along the twofold spectrums of clear coordination and power inequality. “The larger block arrows represent thicker flows of information and control, regulated through explicit coordination” (ibid, p.89). As the figure also reveals, the higher the level of coordination is, the higher degree asymmetric power relations is.
The analysis of the governance typologies in this research is not aimed at pointing out a specific typology that the KFI can be described with. This is may be difficult to do because “the form of governance can change as an industry evolves and matures, and governance patterns within an industry can vary from one stage or level of the chain to another” (Gereffi and Fernandez-Stark 2011, p.10). We are, however, interested in using the overall trend of the typologies summed up in the bar below the figure: “degree of explicit coordination” and “degree of power asymmetry”. It can be deducted from the model that the two factors are interlinked; therefore, if there is a high level explicit coordination, a high level of power asymmetry follows. Our focus is to uncover the overall trend in the KFI governance structure based on this scale. Uncovering the degree of power asymmetry in the KFI will help us in establishing how the same affects the potential for labour organising. We find that the characteristic of the typologies are relevant since we are going to utilise them in order to analyse the overall trend. We have preferred to use this typology framework over the initial producer/buyer dichotomy, which does not adequately cover the variety of network forms in the governance structure. The typology framework is therefore more relevant.
to our case since it reveals how buyer-or producer driven chains can manifests in a variety of ways across the chains.

4.2.3. Analysis of the Kenya flower industry

The activities and conditions in the Kenyan cut value chain are largely influenced by major European buyers notably the Dutch auction and large supermarkets in Europe (KHRC 2012, p.14). Using the governance typology framework above, this section seeks to argue that there is a tendency towards a greater degree of explicit coordination and asymmetry in power relations in the KFI. This overall trend can be viewed in various areas of the value chain. At the farming → export level we see a tendency towards captive relationships. In the relationship between the suppliers (mainly the large scale producers) and buyers, there is a move away from market based transactions towards more relational/captive modes of trade. And finally, we see that the practice with increased use of corporate codes of conducts generally integrates the chain even further, due to increased coordination. All in all, this leads to a higher degree of power asymmetry in the value chain.

The producers in the Kenyan flower industry can be categorised into different groups as discussed in the descriptive section. First group are the large scale producers, who own more than 20 hectares of land, manage their own export operations and may have direct contact with the buyers. Secondly, we have the small to medium scale producers, who own up to 20 hectares of land and mostly sell their products through the Dutch auction, although, few may have direct contacts with the retailers. However, some small to medium scale producers manage to conduct own export operations. Lastly, there are the small-holder producers, who own up to only two hectares of land. This group rely on larger growers or other middlemen like wholesalers in order to export and sell their products through the auction (Dolan et al. 2005, p.16).

Export production in the KFI is therefore concentrated around approximately 60 medium to large scale flower operations with the 25 largest producers accounting for over 60% of the industry’s total export (Dolan et al 2005. p.15). It is clear that the small-holder producers and the small-medium scale producers, who cannot manage their own export operations have to find alternative ways of exporting their products. Most of the small-holder producers usually sell their products either to the medium or large scale growers. Similarly, the small-medium scale producers, who are not linked to the buyers sell their products to the large scale producers, who manage exports operations (KHRC 2012). In this chain, the large scale producers and medium-scale producers who are able to conduct export operations are more powerful than the small-holder producers who lack the same. This indicates a trend towards the “right-hand-side” of our framework where there is increased power asymmetry in the KFI. This trend is in Gereffi and Fernandez-Stark’s
typology the captive governance structure, where the small scale suppliers (small-holder producers and small-medium scale producers), who have to rely on the buyers (large scale producers) in order to export. This captive relationship is asymmetrical in nature, hence the large scale producers can to some extent dictate what their captive suppliers should produce.

In recent years, there has been a trend towards the domination of large and sophisticated European retailers such as Tesco, Sainsbury and Marks & Spencer in the Kenyan cut flower value chain. The large retailers / European supermarkets tend to source their products through direct contact with the mostly the large-scale producers and a few small-medium scale producers. According to Riisgaard (2007, p.19), “The direct trade with large UK retail chains such as Sainsbury, Tesco, Safeway, ASDA, Waitrose and Marks & Spencer has increased during the last decade reaching approximately 1/3 of total exports in 2004”. With this trend, purchasing power has shifted to an extent from the wholesalers and the auction system to the mass retailers like the supermarkets (Hornberger et al. 2007 p. 26). However, we take note of the fact that the auction still plays a significant role in the Kenyan flower industry since it remains the most important outlet for cut flowers from Kenya to reach the European retailers. “Approximately 2/3 of exports are supplied to the Dutch auction halls and most of the larger operations supply both the auctions and the European supermarkets (Tallontire et al. 2005 in Riisgaard 2007, p.19). Despite the continued large volume of trade being conducted by the auction, the possibility of a more “direct” strand, bypassing the auction, has changed not only the behaviour of the auction but also the farms themselves. This is seen by the fact that “70-80% of flowers supplied to the auctions comply with MPS (an environmental certification scheme developed by the Dutch flower industry with an optional social qualification)” (Riisgaard 2007, p.22). The farms, on the other hand, have also changed their behaviour and are following the standards even when selling to the auction. For them the different sets standards are seen as one and either they adhere to all of them or they do not adhere to any of them. In this sense, if they mainly sell directly to the large retailers, where they have to follow certain standards (Riisgaard 2008, p.11) all their produce will be certified by most standards.

The move away from the auction system can be seen as a move away from a governance structure that is determined by the market and price towards a more integrated governance structure. However, it should be noted that this shift does not undermine a possibility for a complete market transaction in the auction. In other words, the shift provides an indication that there is a movement towards the “right-hand-side” of the model which is characterised by increased power asymmetry. Direct contact with the producers implies that there is a greater level of control by the buyers unlike in the previous Dutch auction system (Riisgaard 2007, p.22). This is especially the case where the supermarkets are involved in dictating the production
standards in terms of quality, which may happen to be more stringent than existing standards in the industry (Hornberger et al. 2007, p.26). This shift is a clear example of increased coordination in Kenya’s cut flower chain. With this new trend, the European supermarkets are able to directly interact with the consumers and identify their specific demands which they communicate to the producers. The European supermarkets for instance largely influence the post harvest functions in the KFI. Packaging activities for example are normally done in close collaboration and in accordance with the needs of the buyer supermarkets that sometimes require that the flowers are packed in a manner that they are ready for shelf on delivery (Mitiambo 2009, p.12). The increased level of coordination experienced further gives prove of a trend towards the “right-hand-side” of the framework. This trend is for example more of a characteristic of the relational typology where there is high degree of information sharing and mutual dependency between buyers and sellers. However, the buyers (in this case the European supermarkets), are still more powerful and capable of exercising control on the suppliers by making specifications of what they want for example the ‘packaging style’.

The growing trend towards a higher degree of explicit coordination can also be linked to the fact that there has been an increased need for codification in the industry. This need has various origins. The companies engaging with the sale of flowers to the customers in the North are very concerned with their brand and reputation. This is due to the fact that a large part of the value they “add” comes from the promotion and marketing of the flowers, hence their profits are depending on their ability to brand themselves. Riisgaard (2007) points to the fact that consumer patterns has changed so companies are now competing on quality as well as social and environmental condition under production. These demands can be met by a more sophisticated codification system specifying grades and standards (think of Fair Trade) (Reardon et al. 2001 in ibid, p.22). Negative branding such as campaigns against bad employment practices by student groups (like anti-sweatshop movement), labour NGOs and unions can therefore be very harmful for flower selling companies. For flowers, a product that is given away in affection, that is even more true. A way they have sought to manage this is by implementing private standards as part of their Corporate Social Responsibility (CSR) strategy. As Barrientos et al. (2003) points out, that can only be a solution if the standards are actually implemented and incorporated into production practices all the way down the chain. Therefore, the companies control the chain even closer in order to “manage the risk” (Barrientos et al. 2003, p.1522). This leads to more monitoring, hence increased explicit coordination. The trend is further fuelled be the increased environmental considerations companies have to take. This is especially the case for UK-retailers, which are the biggest supermarket actors (KHRC 2012, p.14). The increased coordination witnessed through the increased need for monitoring by the buyers is also an indicator of a move towards the “right-hand-side” of the framework. Notably, this is a trend toward more captive governance typology,
where the leading firms exercise a lot of monitoring and control over the suppliers (Gereffi and Fernandez-Stark 2011, p.10). The result is unequal power distribution which compels the suppliers to link up with buyers under conditions that are usually set by the specific buyers for example the PSS requirements.

All in all, the change in consumption patterns with an emphasis on quality, the attempt to manage risks from negative branding and the need to take greater environmental as well as social considerations due to regulations, leave the lead firms in a position, where the more explicit coordination is more attractive, than the market based models. This, according to our typological framework, has implications for power relations, which is increasingly asymmetrical and dominated by, especially European, retailers. However, the trend towards a greater degree of coordination might not be so surprising given the nature of the product. Flowers are vulnerable products; therefore, the cold chain has to be tightly regulated. In addition, the just-in-time model, a term which will be discussed below, for production with the risk of financial loss in case any delay in deliverances, also calls for a more integrated chain (Riisgaard 2007).

4.2.4. The effects of the governance structure on labour

Our analysis points to a trend towards the “right-hand-side” of the typology framework, which implies an increasing tendency of explicit coordination as well as power asymmetry in the KFI. This section seeks to analyse how this trend is effecting on labour’s ability to organise. The trend towards high degree of power asymmetry puts the large European retailers in an advantage position in chain. From the analysis, we have established that these retailers have an upper hand in influencing the activities in the value chain. This power advantage enables them to exert some level of control on the suppliers through their various demands. Notably, these retailers are capable of deploying business strategies of their choice and which work best to their interests. Here we will be concerned with just-in-time ordering and production as well as grades and standards.

The just-in-time-ordering is a strategy that is employed by most of the large retailers (Toyota Global 16/12/13). In just-in-time ordering, the retailers order for goods only as they are needed in the production process. This has made the industry to be characterised by just in time production whereby the production of products is dependent on the demand-pull, and in this case the orders of the European retailers. When the suppliers resort to the just-in-time-production, it results to high tendencies of labour flexibilisation since the employers seek to vary employment levels to accommodate the instabilities in demand (Standing 1989, 1999 in Barrientos et al. 2003, p.1514). This explains the high level of informal employment witnessed in the KFI where approximately 65% of workers are temporal/seasonal. (Smith et al. 2004, p.3).

6 Think of the cool chain, which has already been discussed.
Generally, it is very difficult to organise flexible and/or informal labour because workers in non-permanent/temporary positions experience high level of job insecurity. Workers in these positions are usually more vulnerable to potential dismissal from their jobs which may take place even with the absence of official warnings (Dolan et al. 2005, p.33). This is further complicated by some employers who do not even offer any copy of a contract to the workers but rather rely on verbal contracts (Dolan et al. 2003, p.34). Because of this uncertainty of terms and duration of employment, many workers may not be willing to commit to any activities of the union or other labour organisations. Additionally, the requirement for membership in the union also excludes those workers, who are in non-permanent positions (Dolan et al. 2005, p.8).

However, on the positive note, there are some potential for labour in utilising the trends in the governance structure in the KFI. First of all, the workers can utilise the just-in-time production strategy to lay their demands. Since the very nature of flowers also demands that they are produced just-in-time, the workers can seize this as an opportunity to launch strikes during the peak demand seasons like Valentine’s or Mother’s day. However, this power should not be overstated.

The stronger power position in the chain is also exerted by imposing grades and standards. These standards do not only regard quality, but also environmental and social standards. The PSS are defined by the companies and are key tools on regulation behaviour up-stream in the production chain. The PSS covers areas that can improve working conditions as well as ability to represent and bargain on behalf of the workers, if implemented. These could include collective bargaining and health and safety standards (Barrientos et al. 2003, p.1519). In theory, the corporate codes should enable workers to organise better. Riisgaard points out that they can exploit them to advance their own agenda. With such a position they can gain influence, which is what has been done by TPAWU. Further, most corporate codes of labour practice include the six ILO Core Conventions, which can also be utilised to empower labour. The Core ILO Conventions “focus on enabling rights, such as the principles of freedom of association and no discrimination, that are based on intrinsic principles of social justice” (Barrientos 2007, p.716). The core conventions also include no child labour and no forced labour. Of particular relevance for organising labour, is the possibility to freely assemble and form associations, which can be important in cases where workers are being victimised for being union members (ETI 2005).

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7 See for example the case of Honda worker’s strike (Chang and Hui 2012). It has to be noted that the power the workers here exercised was in the context of just-in-time production in a producer-driven chain. One could also argue that the concept of just-in-time is most relevant for producer-driven chains.
However, having a formal right to associate is not sufficient. Labour needs to be able have an actual say in industrial matters. Also, there is evidence that the codes in themselves do not necessarily facilitate labour organisation. When audits have been made in order to ensure that the companies adhere to their own codes, the “[a]uditors have tended to rely heavily on management information for verifying compliance with codes, with little active involvement of workers and their representative organisations, and have focused most attention on the more visible aspects of codes, such as health and safety and working hours, rather than more embedded issues such as discrimination” (Barrientos 2007, p.716). This alludes to fact that not only has the workers’ representative bodies not been heard in the formulation of the codes, they are not part of the monitoring of them either. Further, the focus on visible and measurable codes can be explained by the origin of the codes. One must remember that these codes have mainly been developed in order to satisfy the demand from the customers and in order to use the codes to differentiate oneself from other companies in the name of competition. Further, if the codes and grades are seen from this critical perspective, one might also be able to explain, why so few codes emphasis a proper living wage as a key measure for ensuring good treatment of the workers. Wages are in general the most expensive area to improve compared to handing out gloves or formally allowing unions on site.

Moreover, there is a general problem with most codes with regard to gender, because most of them do not cover gender issues like discrimination. This is linked to the fact that most PSSs concentrate on measurable criteria (Barrientos et al. 2003). Further, Barrientos et al. argues that the PSS is as gendered as the rest of the labour market, which in turn is a reflexion of gender hierarchy in society in general. The gender bias of PSS is worth mentioning even though this paper will not deal with it extensively.

Despite the lack of focus on gender issues and the fact that PSS do not necessarily lead to greater labour participation in the decision processes at the workplace, labour unions can still utilise the standards to their advantage. They can hold the company that have signed up to them accountable and claim greater influence. However, in doing so, they fail to challenge the overall governance structure, whereby the power asymmetry compels the companies in power to impose private social standards instead of making CBAs with the trade unions. On the other hand, the unions can also choose to challenge the legitimacy of the PSS. By doing so, the governance structure as such can be adequately critiqued. Although, they also at the same time exclude themselves from exploiting the potential benefits from engaging with the PSS. Riisgaard contrasts TPAWU with KPAWU and concludes that the former position, the more pragmatic approach to the PSS, can actually improve labour’s agency to more areas: whereas the later position, the critical position, allows for an overall critique and upholds the principal argument that trade unions are the primary actor. In the Kenyan case, the trade unions disengagement with the PSS allowed labour NGOs play
a vital role. Riisgaard points to other explanations in the different approaches such as the hierarchy of the unions and when the policies were introduced (Riisgaard 2007). De Neve (2009) is very critical of the PSS, which he sees as a way for the buyers to shape and constitute, hence reinforces, the global inequalities between the different actors in the chain. If one assumes that the degree of explicit coordination leads to greater degrees of power asymmetry, De Neve’s point is justifiable.

4.2.5. Sub-conclusion

In this analytical section, the GVC framework has been applied to our case. We have used the developed GVC framework from Gereffi and Fernadez-Stark (2011), which goes beyond the buyer/producer-driven dichotomy. We use the part of the framework that focused on governance – in particular their typology of governance structures. By using some of the characteristics of this typology, we can conclude that the Kenyan cut flower value chain has some characteristics of the market governance structure, and some characteristics of the captive and relational model. What characteristics are more dominant depends on what nodes are being scrutinised. The different nodes are also developing in different pace and direction. In spite of this variety and seemingly ambiguity, the overall trend is fairly clear: there is a drift towards greater explicit coordination and integration of the different nodes in the chain. According to the framework and the typology an increase in the degree of explicit coordination is equivalent to a higher degree of power asymmetry; an asymmetry where the large buyers in the North are drawing the longest straw. Nonetheless, trade unions and labour NGO’s do have some leverage points. Since the tendencies that pose a challenge for the ability to organise labour, are the very same tendencies that give them leverage points. In the other words the tendencies effects labour in contradictory ways: the just-in-time production cause increased casualisation of the employment as well as giving labour an opportunity to obstruct production at a crucial time, like Mother’s Day; the integration and introduction of codes and grades is a move away from a governance regime based on CBSs to being based on PSS, at the same time these can be exploited and utilised by labour in order to advance their agenda. Nevertheless, the potential that comes with the changes in the power asymmetry in the chain has to be utilised, otherwise the changes will merely have a negative impact for labour.
4.3. Comparative Analysis of resource mobilisation theory and global value chain analysis

This section aims to summarise and compare the contributions of the two theoretical frameworks applied in this study, hence how they reveal the challenges, preconditions and trends affecting the ability to organise labour in the KFI. Particularly, the section shows how the frameworks have facilitated an understanding of the resources available for labour in the KFI, as well as how power relations, are impacting on the ability to for labour to organise thus an answer to working questions 2 and 3 below;

2) What are the resources available for labour in the Kenyan flower industry?

3) How does the governance structure in the Kenyan flower industry impact power relations and the ability for labour to organise?

The ideas and assumptions of RMT specifically uncover some of the domestic dynamics, whereas the GVC analysis deals with the international dynamics. This is not to argue that RMT cannot deal with international dimensions at all; in fact, we have applied it to see how alliances can be build along the value chain.

RMT reveals the resources available for labour i.e. legal skills, organisational skills and membership, the framework was most useful in clearly pointing towards the strengths that labour has in the KFI. Generally, these resources can be understood as the greatest strengths for labour, which can be properly optimised and mobilised to change their conditions. Further, the framework also clearly brought out the hindrances for effective labour organisation. Consequently, the weak points for labour created through lack of financial resources, inadequate facilities and poor means of communication evidently portrays serious challenges for labour. Hence, this can be useful in directing any efforts towards improving the potential for labour organising in the industry.

When applying the RMT to our framework we discovered that the tangible/intangible dichotomy by Freeman complemented the categorisation of Turner very well. Whereas Freeman’s dichotomy is looking at the resources, Turner’s categorisation can be used to analyse how these resources can be mobilised. In other words, how to turn someone, who supports your cause (an adherent) into so someone, who contributes to your cause (a constituent). As shown, the RMT effectively points out the strengths and weaknesses for labour organising in the KFI.

The GVC analysis uncovers some of the opportunities as well as threats to labour and its future prospects for organising. By uncovering the power relation and mode of governance in the KFI, the framework makes
it possible to see the chances available for labour to improve their conditions by virtue of being integrated in the global producer chain. This makes it possible to utilise some of the PSS to their advantage. Similarly, the fragility of the just in time production strategy applied in the industry can be exploited e.g. organising a strike days before the delivery of Valentine’s Day flowers. The GVC analysis also points out the threats that labour may face by virtue of being in a global producer chain with a given governance structure. The increased asymmetrical power relations uncovered by the framework may give labour a lesser bargaining power. Similarly, the PSS can undermine worker representation at times (Barrientos 2007). Overall, the GVC framework emphasises the opportunities and threats.

A combination of these frameworks in our case therefore displays the strengths, weaknesses, opportunities and threats impacting on the potential for labour to organise (see table 8).

Table 8: SWOT analysis based on RMT and GVC analyses for labour organisations in the KFI

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have some legal skills</td>
<td>Lack of facilities</td>
<td>Expansion of membership when reaching 50%</td>
<td>Loss of membership due to “unprofessionalism”</td>
</tr>
<tr>
<td>Organisational skills</td>
<td>Lack of money</td>
<td>Utilising the PSS to improve the conditions</td>
<td>Increased asymmetrical power relations</td>
</tr>
<tr>
<td>Membership is high in some farms</td>
<td>Lack of means of communication</td>
<td>Create alliances between trade unions and NGOs</td>
<td>Using PSS can undermine worker representation</td>
</tr>
<tr>
<td>Some favourable labour laws</td>
<td>Low membership at most farms</td>
<td>Appeal to the consumers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not sufficient training</td>
<td>Utilising the seasonality of the product and just-in-time-production</td>
<td></td>
</tr>
</tbody>
</table>

Observing the table 8, it is evident that the two frameworks complement each other in outlaying the strengths, weaknesses, opportunities and threats for labour. While RMT stresses the strengths and weaknesses, the GVC is more useful in revealing the opportunities and threats. Nevertheless, neither of the frameworks is limited to dealing with only the strength/weaknesses or opportunities/threats dichotomy. In this way, some of the opportunities and threats were still pointed out by RMT. The framework for example reveals that consumers in the North as well as labour organisations can be influenced to support the demands of labour. In the same way, it points out that the unions could be threatened by a loss of members if they do not adequately articulate their demands or act unprofessional. Similarly, the GVC is not theoretically limited to deal with threats and opportunities.
4.3.1. Limitations of resource mobilisation theory

As already mentioned RMT is a theoretical framework that does not explicitly deal with labour. It emerged to respond to changes in how social movements were organising. Even though we think that this framework can be used to deal with our case, there are issues that are not addressed by RMT. First of all labour has some unique resources. These include the ability to withdraw its own labour i.e. strikes. Interestingly enough, Karl Marx termed work as commodity for “labour power” that is when it being sold as at the market (Karl Marx 1999). When using the RMT framework, it is difficult to incorporate this type of resource. We experienced that when applying the framework to the Kenyan case. Strikes were not really a part of our analysis, which would be seen as problematic for many labour scholars. In Freeman’s framework strikes would be seen as a tangible resource (time). But it is a bit far stretched seeing the withdrawal of your labour (negative time) as resource. The loss of a resource on the part of your opponent (the counter-movement) cannot easily be transformed into a positive resource for your movement. Unless another perspective is applied, namely the Marxists one, in which the antagonistic relationship between employers and employees is seen as the zero-sum-game of how profits are allocated. In our case, if we had applied a more classical perspective on labour, be that a Marxist or not, our analysis would have been much more focussed on the classical resources of labour e.g. strikes.

Secondly, labour, as the word itself implies, produces something. A product here is understood in its broadest sense not only including material products, but also services. Because there is a product, there is a potential for a relation with the customer. This aspect has in part been captured, in the section dealing with creating alliances with NGOs and transforming bystanders and adherent into constituents. As such, the RMT perspective do emphasise the importance for alliances, but again, the qualitative features of the alliance of the producer i.e. the worker and consumer is not captured. The RMT generalises the kinds of alliance and does not point out the qualitative difference in different kinds of alliances. However, it could be argued that alliances between workers and consumers are unique, because of the specific social relations embedded between workers and consumers. If being optimistic, one could argue that such alliances can exploit the specialities of each social group and use it to push for change for example by creating a counter-public sphere (Kaarsholm 2009). One must remember, customers has a unique power too, namely the ability to buy (or not buy) products. The customers and workers might even be able to challenge the social relations and circumvent them. On a more pessimistic note, one could argue those relations will always put one group, either the worker or the consumer, over the other and hinder progress (broadly understood). If our analysis had included this perspective, we would have been able to add why the alliance with customers is so important. In our case, we emphasised that it was important to establish
links with NGOs and customers, but we could just as well have focussed on the importance of creating alliances with other trade unions, the government or even the companies’ management. All of those potential partners have a lot of resources that can be utilised to advance the cause of labour in the KFI. There is nothing in the RMT framework that compels us to choose the customer-NGO-worker-alliance. A theoretical framework that would had an understanding of the unique qualitative features of worker-consumer alliance, would have been able to argue for why this particular alliance is significant.

Thirdly, labour unions are legitimate in a way that not every social movement can claim to be. Trade unions are still the most legitimate representatives for workers, because of their specific focus on labour and trade, they are recognised as the partner and the fact that they have members and therefore a formal structure that can ensure accountability. The potential democratic elements can be a crucial factor in understanding why people would volunteer for a social movement. Here it is worth recalling that RMT were set out to deal with Olsen’s dilemma of collective action in regards to social movements, why would some “offer” their time on a social movement, when the improvements are “collective goods” that benefits everyone. Here, the answer could be that it is because it is legitimate and it deals with trade, hence workers can identify with not only with the organisation but with other workers too. Thus, workers are willing to contribute even if they do not get the same proportional benefit. This alludes to the fact that ideology, identity and bonds of solidarity do play a role in mobilising resource. In addition, the potential democratic influence might also explain why some would choose to contribute to the labour movement. Our analysis did not cover the internal workings of the labour movement e.g. whether it is democratic and accommodates the participation of women etc. If we have used other kinds of social movement theory our analysis might more thoroughly have captured some of these aspects.

There is a final and crucial aspect that is not really captured by the RMT framework. That is the one of power. Because RMT does not capture the antagonistic relationship between employers and employees or the specific qualities of the worker-consumer alliance, the framework is not able to capture power relations. Power relations must be said to be essential for any social movement. Therefore, it was vital for our research that we included GVC. The GVC framework is in fact fairly adequate to analyse the relations between actors, hence power relations, as well as spotting where power is located.

4.3.2. Limitations of global value chain analysis

Despite the fact that the GVC framework was useful in understanding power relations, there were some limitations in applying the framework to our case. With the developed governance analysis, it was difficult
to identify a particular governance typology that fits the KFI. When presenting their framework, Gereffi and Fernandez-Stark (2011) take notice of such a problem, since the form of governance patterns within an industry can vary from one stage or level of the chain to another. This is true with our experience when analysing the KFI. On the basis of our analysis, we were able to argue that there is an increased degree of power asymmetry; however, we could not point to out a specific type of governance that fits the industry. This is because the asymmetry varies in different parts of the chain and with dissimilar relations between the actors (there are different types of producers as well buyers). We see a tendency of a captive relationship between the farm→export level. But this is only the case for the relationship between the small scale producers, who do not manage their own exports and the large scale producers, who buy the products from the small scale farmers. At this same level, however, a move towards a relational governance typology can still be seen in the case where medium scale and large scale producers directly transact with the buyers in Europe. It even gets more complicated at times where different typologies are practised at the same level of the chain but with the same producer. At the farm→export level for example, large scale producers buy products from small-holder producers in a captive relation and sell some of their products to the auction on a purely market based relationship, whereas others directly to the consumers on a relational basis. As already pointed out, our analysis would have had a stronger empirical basis, if we had been able to conduct field research. This might have increased the possibility for to analyse the typologies of the KFI. Although, it is a debate whether the overall problem with the typology, as described above, would have been completely overcome.

Further, the framework is good in distinguishing the different governance categories that could exist in an industry or a chain; however, it fails to capture the underlying causes for the formation of these power relations. We could not identify from the framework the driving forces behind the increased power asymmetry in the Kenyan flower value chain.

We understand that the GVC framework emerged out of the World System Theory, which was developed in 1960’s by several authors like Wallerstein and Gunder Frank (Gunder Frank 1978; Halsall 1997; Cohen and Kennedy 2013, p.25). This set of theories view the local economy as one which is linked to global economy. Hence, such a local economy could be affected by the global factors owing to this link. Out of this global perspective emerged commodity chain analysis. However, this theoretical framework was much more concerned with the flow of commodities and competitiveness than the dynamics of the “underdevelopment” of the “periphery”. The GVC framework derives from this tradition. The interest of GVC is nowadays somewhere in between the focusing on the product and focussing on the broader perspectives of the global structures. In our opinion the GVC lacks some explanatory power when looking at
the driving forces. Therefore, the discussion on neoliberalism offered in another section of this paper is useful because it can uncover some perspectives that have not been covered so far because of theoretical limitations.

4.3.3. Sub-conclusion

We have seen how the two analytical frameworks can complement each other. The RMT can cover domestic (re)sources that give the labour movement strength (and weaknesses), whereas the GVC covered some of the international dimension that shapes the governance structures in which labour operates. The latter also presented opportunities and challenges (threats) for labour’s ability to organise. Together the findings can neatly fit into a SWOT table. The analysis would benefit from a discussion of how some of limitations of the theories could be dealt with, which is what the discussion section sets out to do.
5. Discussion

This section will discuss our findings in relation to Harvey’s critique of neoliberalism. The RMT framework pointed out some of the weaknesses and strengths that labour holds in the KFI, however, did not manage to capture the power relations embedded between labour and capital. GVC, on the other hand, uncovered the shift in the location of power from the production site to a move down stream towards the buyers and the increased power asymmetry. However, it could not capture some of the underlying driving forces behind this shift. In this regard a critical analysis of neoliberalism can add some concepts and ideas that can pose a proposal for what the driving force can be.

5.1. Definition of neoliberalism

Neoliberalism had been used as a synonym for capitalism and understood as a doctrine, as policies and practices, as a class project, an abstract causal force (Lindsay 2013). In this discussion, it will be understood as an ideology, which combines neoclassical economics with classical liberalism. In other words, it is a political ideology, which seeks to increase the freedom through economic means. Freedom is understood in the classical liberal, negative sense (Berlin, 1969) i.e. freedom is understood as “freedom from state repression”, “freedom from random arrests” etc. According to neoliberal ideology, the economic structure that underpins such a freedom is market economy. What that entails can be summed up in Harvey’s definition of neoliberalism:

‘a theory of political economic practices that proposes that human well-being can best be advanced by liberating entrepreneurial freedoms and skills within an institutional framework characterised by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices’ (Harvey 2005, p.2)

The key elements of this definition is that the state has to facilitate and create a good business climate, thus attract foreign direct investment (FDI)\(^9\), by upholding private property rights and allow free trade to take place in free markets. This means integration into the world economy and allowing multinational companies (MNCs) to operate without state intervention – except the intervention that facilitate further marketisation and privatisation.

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\(^9\) Whether the states wants to welcomes the MNCs/TNCs (transnational companies) or not, they are a growing agent in the global scene (Cohen and Kennedy 2013, p.179)
5.2. The era of neoliberal restructuring and globalisation – a class project

In the 1980’s a shift in development thinking as well as policy took place. The import substitution industrialisation (ISI) was under pressure. Profits were declining and core states in the capitalist global economy, USA and the UK, were in deficit. Several events in this bad economic climate lead to this paradigm shift to neoliberal restructuring: The oil crises of the 1970’s, the Volker-shock, the CIA’s overthrowing Allende and the subsequent rise of Pinochet’s dictatorship and the election of Ronald Reagan in the US and Margaret Thatcher in the UK. The elections paved the spread of the neoliberal prescriptions Pinochet and the so-called “Chicago boys” had implemented in Chile (Harvey 2005). In the following years there was a dominance of the Washington Consensus (WC), a term for the ideological and political coherence between institutions, such as the World Bank, the International Monetary Fund (IMF) and Federal Reserve System (the national bank of the US), based in Washington (Cohen and Kennedy 2013, pp.72-73). The overall policies were neoliberal, however they have been critiqued by Harvey (2005) for not following the theoretical prescriptions. To Harvey, neoliberal restructuring of the global economy in the 1980’s, was not just ideological motivated. If it was, the definition above would have been followed much closer. Rather, it was a way of restoring class power. Class is a concept that has not been dealt with in this project, despite the concept’s obvious link to the concept of labour. Class can be understood as a descriptive category, which covers for example people with the same relation to the means of production (for example peasant or day labourers) i.e. “class in itself”. It can also be understood as a “class for itself” i.e. an organised class that pursue their own interest (Cohen and Kennedy 2013, p.126). The class perspective would bring other aspects of the SWOT analysis that the RMT and GVC were unable to capture. Firstly, it would deal with some of unique aspects of labour, as already pointed out. It could qualify the social relations between workers, managers and consumers. In addition, the discussion already conducted, knowing the power relations between the different actors can for example illuminate the limits to how broad alliances labour in the KFI can build. With a class perspective in mind, it would be unthinkable to imagine a genuine alliance between the managers and the workers, since their class interest are in direct conflict. From this perspective, a flower farm’s effort to improve working conditions would always be due to the pressure from either workers or customers. Secondly, the idea of class conflict, would also give an explanation to why the majority of the codes deals with easily measureable goals, like reducing working hours and not proper involvement of labour in the company’s decision making process (Barrientos 2007). Finally, a general analysis of capital accumulation, and not just the concept of class conflict, can aid in explaining why there is a shift in the governance structure. This could be attributed to the search for continued capital accumulation. The new type of branding and product differentiating by codifying and grading is a way of increasing the profit rate. According to increased and faster accumulation of capital,
capital will get concentrated. Such a concentration can also aid an understanding of why power is increasingly asymmetric. Critics of the Gereffi and Fernandez-Stark framework would say that it is not increased “degree of explicit coordination” and “degree of power asymmetry” that goes hand in hand. Rather, it is “degree of concentration of capital” and the “degree of power asymmetry” that follow one and another.

5.3. The change in labour’s strategy and the location of power

Several pro-labour authors like Waterman have pointed to the fact that forms of exercising power for labour has changed or should change in face of the age of neoliberal globalisation. Waterman advocates a new form of unionism: Social movement unionism (SMU) (Waterman 2001). SMU is a form of unionism that stresses that trade unions should form alliances with citizen groups, NGOs, communities etc. For example how it was done in South Africa between the South Africa Municipal Workers Union (SAMWU) and local groups through the local Anti-Privatisation Forum (Lier and Stokke 2006). The potential alliance partners are not confined to local actors, rather the point of SMU is to recognise that the nature of work is changing. The change in the nature of work, and the subsequent change in the nature of labour organising is something resource mobilisation would not really have captured. RMT would merely point out that alliances are important to create in order to mobilise resources which are important. On the other hand, maybe the fact that labour authors recognise the importance of alliances with NGOs and use of social movement tactics, proves the point that our application of a social movement theory to the KFI is not that far out after all.

Alliances with NGOs become even more important in the age of neoliberal globalisation (i.e the globalisation process from the late 1970s onwards), because of the change in where power is located. Previously power was mainly located at the production site, whereas that has shifted towards global actors e.g. MNCs. The change in the location of power derives from the change in production. Neoliberal globalisation have magnificently impacted production, which meant not only a shift in where production was located (crudely speaking there was an outsourcing process from global North to the global South), but also in terms of division of labour whereby a “global factory” has been created (Chang 2009; Harvey 2005). The term “the global factory” is a metaphor for the increased integration i.e. explicit coordination of global value chains. The “global factory” relocates power away from the local e.g. the production site to the global e.g. at the buyer level. It is a commonly held position that in order to effectively improve the position of
labour, power has to be challenged where it is located\textsuperscript{10}. As our study of the governance structure in the global value chain has shown, the global production chain is changing and increasingly power relations are becoming more asymmetrical. In the fordist mode of production, power asymmetry was manifested at local level in the relationship between the factory manager/owner and the workers (Cohen and Kennedy 2013, pp.67-71). In contrast, the power asymmetry which is embedded in the Kenyan flower value chain locates the actual power holders, hence the focal point for political influence, far away from the worker. By definition, buyer-driven chains power located close to the buyer, almost at the end node of the chain. Hence the consumer becomes an important actor. Thus, it is even more essential to create alliances along the chain, across countries and forge alliances with NGOs that have the contact and know how to communicate with consumer and other actors in the North. How that can be done has been covered in previous sections. The point here is just to reiterate the importance of challenging power where it is located and while GVC might explain how this shift in the location of power takes place, it do not explain why.

To sum up the discussion, the critique of neoliberalism by Harvey brings in the ideas of class conflict and capital accumulation. These concepts can be used to address and overcome some of the limitations of RMT, which do not deal with labour as a distinctive category or deal with power; and GVC, which do not adequately address the dynamics and driving forces behind the shift in the location of power.

\textsuperscript{10} This argument can be traced back to Marx and Engels in the Communist Manifesto in which they argue workers should organise not only at the local level, but internationally, because the bourgeois class operates on an international level. Or see Hardt and Negri, who argue that the centre of capital is becoming more decentralised, therefore the resistance of multitude will/should also be decentralised. Also non-Marxist authors recognise that in order to challenge power, it has to be done where power is located, even though they do not hold the assumption that there is a conflict between labour and capital (Hardt and Negri 2001)
6. Conclusion

This project has been set out to investigate what pre-conditions, challenges and opportunities can be identified for labour in terms of organising in the KFI. We have described the preconditions of the KFI by uncovering its development as an industry, the nature of the employment structure and the working conditions for the workers and how producers operate in the Kenya’s flower value chain. Further, we have mapped out the influential actors in the industry. These preconditions have pointed out the importance of the KFI both for Kenya and the global production chain. Further, they point out a picture where labour attempts to organise in an industry that is regulated by international PSS. The standards might have improved the working conditions over the recent years, but the wages and workers influence at the workplace remain as pending issues. Further, we realise that temporary employment/ casualisation of labour is a prevalent issue in the KFI although there are trends towards more permanent employment. At the same time a great part percentage of the casual labour happen to be women who also dominate the labour force in the industry on the overall.

Through Freeman’s dichotomy of tangible and intangible resources, we established that the labour organisations, mainly KPWAU, have some resources such as legal and organisation skills, but are in the need of mobilising other important tangible as well as intangible resources in order to be effective. With Turner’s categorisation we found that certain groups, in particular labour NGOs and customers, are important to mobilise i.e. build alliances with, in order to maximise the resources. However, there are not any indications that trade unions and labour NGO cooperate very well. All in all, labour organisations in the KFI, have some resources, but are weak generally because of the few resources mobilised. With the use of the developed GVC analysis of governance structure, we established that different parts of the chain had different governance features, but the overall trend was a move towards a greater degree of explicit coordination and power asymmetry in the industry. This affects labour through the business strategies for example the just-in-time production that the companies implement. The power asymmetry is also manifested through the imposing of codes, which can empower or undermine the work of the labour unions depending on their approach towards them.

The application of the RMT in our case was useful in uncovering the strengths and weaknesses while the GVC framework pointed out the opportunities and threats that labour has in the Kenyan flower industry. Moreover, the RMT disclosed mainly domestic aspects but also brought out the importance of the alliance building with NGOs and consumers in the North. The GVC on the other hand mainly revealed the international dimensions and power relations in the KFI, which was not being captured in the RMT
framework. Through our analysis, we also discovered severe limitations to the theoretical frameworks we used which failed to capture some important concerns for labour. First, the importance of unique resources for labour for example strikes, were left out. Secondly, there are specific social relations with employers and consumers that could not be captured. Thirdly, although power relations could be captured by the GVC framework, it could not explain the underlying causes for the asymmetrical power relation in the value chain. These limitations could in part be overcome by utilising some concepts from a critical understanding of neoliberalism. The notion of class and class conflict could illuminate some of the characteristics of labour and its social relations. It is our conviction that the idea of capital accumulation and concentration of profits provide a strong case for what could be driving forces behind the change towards a greater degree of power asymmetry.
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### 8. Appendix

#### Appendix 1: Social standards

<table>
<thead>
<tr>
<th>Standard</th>
<th>Origin</th>
<th>Release</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Northern sectoral</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUREPGAP Control Points and Compliance Criteria for the production of flowers and ornamentals</td>
<td>Developed by flower labeling organizations and a coalition of mainly British supermarkets</td>
<td>2003</td>
<td>Essentially about good agricultural practices in order to guarantee product safety but has a small section on worker health, safety and welfare</td>
</tr>
<tr>
<td>Milieu Programma Sierseelt (MPS)</td>
<td>Dutch growers of flowers and plants</td>
<td>1995</td>
<td>Collection of labels in various classifications (MPS A, B, C, SQ, GAP) for environmental management, social and human resource management. Origin in the Netherlands but international application</td>
</tr>
<tr>
<td><strong>Southern sectoral</strong></td>
<td></td>
<td></td>
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<tr>
<td>Kenya Flower Council (KFC) Code of Practice</td>
<td>A group of five large Kenyan flower exporters started the KFC and the KFC code</td>
<td>1998</td>
<td>Code of Practice to promote ecologically sound and fair labour practices in the Kenyan flower cultivation. Adoption of the code is obligatory for KFC members. In 2006 the KFC code was benchmarked against EUREPGAP and accredited to EUREPGAP (Interview SI2, K 2006)</td>
</tr>
<tr>
<td>Fresh Produce Exporters Association of Kenya (FPEAK) Codes of Practice (now renamed KENYA-GAP)</td>
<td>Kenyan flower growers</td>
<td>1996</td>
<td>Code of Practice to improve production practices with regard to labour, use of pesticides, traceability and environmental management. Adoption is voluntary for members. Certification is conducted by International Certification Services (SGS) (Theen et al. 2000)</td>
</tr>
<tr>
<td><strong>Multistakeholder</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max Havelaar / the Fair Trade Labeling organization (FLO)</td>
<td>The Max Havelaar Foundation was founded in 1992 by the Swiss aid organizations: Brot für Alle, Caritas, Fastenpfiler, HEKS, Helvetas and Swissaid</td>
<td>2001</td>
<td>(flowers)</td>
</tr>
<tr>
<td>Flower Label Programme (FLP)</td>
<td>German importers and wholesalers signed an agreement with German NGOs and trade unions to form the FLP</td>
<td>1995</td>
<td>FLP is a consumer label targeted at growers in developing countries exporting to the German market. The FLP criteria are identical to the ICC criteria</td>
</tr>
<tr>
<td>International Code of Conduct for Cut Flowers (ICC)</td>
<td>The ICC was developed by a coalition of European NGOs and the International Union of Food and Agricultural Workers (IUF)</td>
<td>1998</td>
<td>ICC contains criteria on human rights, labour conditions and basic environmental criteria. The ICC is a baseline code and is not monitored. Other standard initiatives like FLP, HEBI and MPS-SQ have integrated the ICC provisions. The ICC have developed a trade union training manual</td>
</tr>
<tr>
<td>Standard</td>
<td>Origin</td>
<td>Release</td>
<td>Characteristics</td>
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<tr>
<td>Fair Flowers &amp; Plants (FFP)</td>
<td>In 1999, Union Fleurs (the International Floricultural Trade Association) together with Flor Verde in Colombia, FLP, KFC and MPS started to create a single label. From 2001, NGOs and Labour Unions from the ICC were introduced into the group</td>
<td>2005</td>
<td>The FFP label contains ecological and social criteria. The FFP criteria and procedures are based on both the ICC and the MPS. Growers who want to participate need to comply with (1) environmental criteria similar to MPS-A and (2) ICC and its criteria (this may also be realised in combination with MPS-SQ or FLP). All participating links (producers, traders and retailers) must satisfy certain requirements and be members of FFP.</td>
</tr>
<tr>
<td>The Ethical Trading Initiative (ETI)</td>
<td>ETI was set up as an alliance of UK companies, NGOs and trade union organizations</td>
<td>1998</td>
<td>An initiative to promote and improve the implementation of corporate codes of practice which cover supply chain working conditions (not restricted to cut flowers). ETI has a base code and provides a generic standard for labour practices. All corporate members are required to submit annual progress reports on their code implementation activities (ETI website 2005)</td>
</tr>
<tr>
<td>The Horticultural Ethical Business Initiative (HEBI)</td>
<td>HEBI comprise KFC, the largest individual flower growers, AEA and labour NGOs</td>
<td>2002</td>
<td>HEBI has conducted a range of triad audits against the HEBI base codes using participatory monitoring approaches based on the Kenya Base Code on Social Accountability for The Flower Industry, and they have conducted training and awareness raising. So far though it is still unclear what is to be the official status of HEBI and the code is not monitored or certified at the moment.</td>
</tr>
</tbody>
</table>

**Government**

| the Kenya Bureau of Standard code for the horticultural industry (KEBS) | Initiated by FPEAK and KFC, but governed by Kenya Bureau of Standards | 2002    | According to officials from KEBS, KFC and FPEAK agreed on the content of the code while KEBS then sent it to the Standard Council for approval. It was approved in 2002. A new version benchmarked on EUREPGAP was approved in 2004 and KEBS is now moving towards being accredited to EUREPGAP. The KEBS standard is not monitored or certified to at the moment, but according to KEBS officials it is likely to be in the future |

*Source: CBI Market Information Database, URL: [www.cbi.in](http://www.cbi.in), Standard web pages and own interviews 2006*