

RETHINKING VALUE CHAINS

Strategic seminar



La Bergerie de Villarceaux, France
30th January - 1st February 2018

Organised by Banana Link and Peoples Solidaires-Action Aid France
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INTRODUCTION

This network brings together civil society actors – including NGOs, trade unions, academic institutions – with expertise on value chain issues and the empowerment of workers and local communities in the face of global corporate economic interests.

The aim is to provide has space for various thesis organizations to engages in fundamental discussions one the current dominating economic system (neo-liberalism) and ways in which we edge work together towards sustainable alternative that could people and the environment first.

Through sharing the experiences, tools and strategies of the various organisations involved we hope to strengthen and add value to existing initiatives – such as those on the regulation of value chains – whilst also providing an opportunity to think creatively about how to revolutionise and re-territorialise the current economic system and towards a sustainable alternative at local, regional and global level.

Background

In 2015, BASIC, Banana Link and RONGEAD conducted a research project on the issue of regulating value chains. In line with this work, in August 2016 they organized (with the support of the FPH) a 3-day seminar bringing together thirty actors – both French-speaking and English-speaking - from civil society, academia and international institutions in order to:

- Share and discuss analysis on issues related to human rights governance and regulation of value chains, in particular based on the main results of the work on "value chains regulation" conducted by BASIC, Banana Link and Rongead
- Cross the perspectives of actors from different sectors, build bridges and alliances between them
- Initiate working groups which could emerge from the seminar and conduct projects in the aftermath of the event.

The full meeting report and supporting documents are available to download [here](#).

Following the seminar at La Bergerie physical meetings took place with other potential partners in Amsterdam, Bruxelles and Geneva including representatives from the electronics sector (Good Electronics / SOMO) and the textiles sector (Clean Clothes Campaign), the Swiss Coalition for Corporate Justice, SCCJ, the ILO Better Work programme and the International Trade Union Confederation (ITUC).

From November 2016, Banana Link and Peuples Solidaires-Action Aid France came together to coordinate this network of actors around the theme of 'Rethinking value chains', with support from the FPH.

STRATEGIC SEMINAR, LA BERGERIE, January 2018

A network of 35 people from various organizations - NGOs, university academics, research institutes and trade unions mainly from France, the UK, the Netherlands, Spain and also Ecuador - participated in the strategic seminar at the Bergerie de Villarceaux from January 29th to February 1st 2018.

We had three days of particularly rich exchanges on experiences and strategies for rethinking and transforming value chains (in particular banana, textile, electronics and mining) in order to think about potential directions, priorities and synergies for our network up until 2020.

The following report aims to highlight the main results of these discussions. All the documents from the seminar mentioned in this report are available to download [here](#).

Session 1 - Defining our common view of the global economy and its value chains

- a. **Presentation of the paper by Florence Palpacuer, Institute for Social Studies (Den Haag)/Montpellier University, on the different normative concepts of global value chains - [download here](#)**

Academic Reference Document: A summary of a research paper on 'Systems of governance and social movements in global value chains' - [download here](#)

The question of value chains essentially dividessupporters of a continuous liberalisation of trade on one side and advocates of stricter regulation of social and environmental conditions of production on the other. The formers highlight the impacts in terms of **creation of jobs, currency and access to markets**; the later put forward the **poor working conditions** of those at the end of the chain, the **destruction of the environment**, the collapse of local economies and the instability of the economy, as a result of the market-driven displacement of production sites, and the weight of financial considerations in the decision making within global chains.

In terms of regulation, beyond the state and the market, a third option appears within the functioning of values chains: that of **cooperation**. Grounded in the principles of **anarchism**, this pathway promotes ethics and solidarity within production communities, most often local, as a form of regulation. At the same time, large companies have also adopted an approach advocating « ethics » with their suppliers, in the context of their social responsibility policies, however they did so without questioning the logic of short term profit maximisation and whilst remaining largely opposed to any legally binding regulation.

Social movements have adopted two strategies to promote the improvement of social and environmental conditions in global chains:

- The first is a strategy aiming to transform global values chains. It is based on advocacy, lobbying and negotiation. This "**Politic of demand**" (Day, 2005), falls within a '**counter-hegemonic**' approach which involves to launch a power struggle and maintain relations of force against economic hegemony in global values chains. It is adopted by trade unions and NGOs involved in global campaigns, aiming to introduce new forms of regulation in global value chains.

- The second is a strategy aiming to construct alternative value chains. It's about fair trade practices, and alternative local value chains. It can be seen as a “**Politics of the Act**”, an approach which Richard Day defines as ‘**anti-hegemonic**’ because it is based on tangible individual initiatives to develop alternative chains, in a vision neither statist, nor liberal, but founded on cooperation.

Counter--hegemonic strategies are confronted with the phenomenon of **passive revolution** according to the concept of Antonio Gramsci, when their demands are diverted, reduced, and absorbed by companies and states into new practices of which the main aim is to legitimise and bolster the economic hegemony. Anti-hegemonic strategies on the other-hand, are confronted with competition from global chains and adverse institutional and political environments which limit their space for development, or else are reabsorbed into the dominant logic of the market.

In light of these observations, two lines of thought are offered for discussion inside the network : on the one hand, that of the role of the state, as expected by stakeholders of civil society, in the transformation and regulation of global chains; on the other, that of the synergies to be developed between counter-hegemonic and anti-hegemonic strategies, in order to best avoid the traps of passive revolution and broaden the spaces for development of local alternatives.

To go further:

- The experiences of [Scop-ti](#) and [La Belle Aude](#) are extremely relevant; Simon Adderley of Oxford Brookes University will share his research on the economic structure and transition process of these two cooperatives in 2018
- the research of [IDDRI](#) on the environmental impact of specific value chains
- the book and film [Tomorrow - a new world moving](#) (examples of an anti-hegemonic approach)
- the new book of Naomi Klein 'No is not enough'

b. Presentation by Iain Farquhar, Banana Link, 'The big picture ' - trends, opportunities and challenges, and proposals for themed areas of work - [to download here](#)

Iain Farquhar presented an overview of the background paper which he wrote for the meeting, entitled “Where Next?” - [to download here](#)

In this paper he reviewed the **changes in economic thinking and in the organisation of financial systems** which had occurred from the end of the Second World War up to the present day. He examined the period up until the 2007/8 crash, the period after the crash and the different directions which might conceivably be taken in the future, with a particular focus on emerging technological trends.

By 1986 when the **Brundtland Report** was presented to the UN’s General Assembly, it was already clear that world development could not continue to follow its current trajectory without destroying both people and planet. Brundtland called for a new focus on **sustainable development**, which needed to be built around three pillars: environmental, social and economic. Sustainable development needed in turn to be delivered by three major constituencies – government, CSOs and industry.

While there was broad acceptance that Brundtland was right, the three major constituencies reacted in very different ways to the call to develop sustainable systems. CSOs embraced the new agenda (which came to be known as ‘Agenda21’) enthusiastically but they had little or no power to implement change. Industry, which had the real power to make changes, tended to remain focused on profit and, while embracing the new agenda in their corporate discourse, they mostly failed to re-

spond sufficiently strongly to allow real change to occur. Governments embraced the new thinking in principle but in practice tended to remain focused on **short-term economic growth**, strongly influenced by industry demands to avoid legislative constraints to business practice.

The **dominance of neo-liberal thinking** has meant that, far from systems becoming more sustainable and in spite of some positive technological developments, we are now in a worse position environmentally and arguable socially than we were at the time of the Brundtland Report.

Current economic and financial thinking are clearly ill-equipped to deliver sustainable futures. A new way of thinking about economics and finance is needed which liberates us collectively from short-termism and allows us to confront the environmental and social problems which threaten our collective futures.

Session 2 - Exchange of strategies towards sectoral transformation - Lessons of 25 years of civil society work on key sectors of the globalised economy

Facilitated by Maggie Burns and Alistair Smith

a. The Clean Clothes Campaign dynamic

Facilitated by Nayla Ajaltouni and Maggie Burns

The **Clean Clothes Campaign** (CCC) is a **European network** which formed slowly to a global level. The distinction between producer countries and consumer countries is not very obvious anymore because producer countries also become consumers. Today, local producers who are members of the CCC are invited to global forums at a decision-making level.

The tragedy of **Rana Plaza (2013)** shook things up, whether it be at the level of the awareness of industrialists and the general public, or at the level of labour law and the standards of construction/safety. **Forms of compensation by the UN** (ILO) were used to compensate the workers affected by the accident¹.

The attack on image exists, in particular the Nike scandal of 1996². There was an evolution in the response of the industry over time.

The first strategic initiative focused on campaigns relating to development and to the implementation of **codes of conduct**. However, this approach is insufficient because the responsibility lies with the suppliers while the parent company communicates its theoretical positive commitments.

The strategy of CCC has therefore evolved with the idea of going beyond audits (the approach '*beyond auditing*'). The CCC checks the implementation of codes of conduct through dialogue with several industry stakeholders. It doesn't place itself solely in confrontation and asks to develop tripartite mechanisms.

In the case of **Due Diligence** (one prefers to use the term 'duty of care' - to have vigilance), it acts to set-up processes to avoid engendering situations of rights violations. The question is whether these rights are sufficient and if they are adequately applied. The new law in France on the **duty of care (going back to March 2017)** stipulates that adequate measurements, through plans of care, must be

¹http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R025

²<https://www.theguardian.com/world/2001/may/20/burhanwazir.theobserver>

implemented. If they fail, the responsibility for the company can be engaged in the event of an accident.

Globally since the 1980s, the conditions for workers have not really evolved, but damages have been avoided. If some steps had been covered concerning **trade union freedom, we must remain vigilant regarding the safety of people who choose to organise themselves in trade unions.**

b. The fair and sustainable banana dynamic

Facilitated by Alistair Smith [Banana Link](#) and Gilbert Bermudez [COLSIBA](#)

The **intercontinental network** (COLSIBA-WINFA-EUROBAN-IUF) - which connects workers and organised small producers with trade-union organisations and NGOs in consumer countries - is the principal tool of collective action, and it will remain so as long as it maintains its unity of vision and action and its common ethical values. Member organisations serve as the focal point to relay actions decided by the intercontinental alliance at the national level.

We believe it is important to map the allies of civil society, as well as those who oppose our strategies. In order to better target our actions, it is also necessary to clearly identify “key points” of power, whether they are companies or 'networks' (associations) of companies, governments or intergovernmental organisations (EU, OAS, CARICOM, ILO, FAO, etc).

It is vital to understand the true day-to-day problems and prospects of those who work the land (in plantations and packing stations) in order to develop relevant strategies and communicate by clear and simple messages of advocacy; we must also reach the main influential parts of the media (commercial sector-specific reviews and mainstream national media).

Outcomes for COLSIBA:

- Trade union movement reinforced by more strategic unity of action
- A common strategic agenda with allies Euroban (Europe - the United States - small producers of the Caribbean and Philippines - trade unions of the African workers)
- Knowledge of the working conditions on the ground in all the organised plantations (and part of those non-organised)
- A strong alliance with other trade unions, NGOs and other relevant institutions
- The creation of the **World Banana Forum** opens a space for action and dialogue with defined stakeholders, and Euroban helps us to be well equipped as an inter-syndical coordination
- The problems of workers updated in the work of the Forum
- The intercontinental alliance offers us the possibility to question (and to identify the risks and the difficulties of certain courses of action)

Risks, difficulties and needs

- Deviation from the common strategic agenda
- Funds which can compromise the freedom of action
- Anti-trade-union repression by - and the impunity of - certain stakeholders
- The sustainability of long-term campaigns (time and resources)
- Left-wing political processes do not necessarily mean support and advances
- The constant need, but not-satisfied, for resources and time for education and training which are greatly needed

- The need to adapt education and training to each particular situation (company, country, export zones within same country etc.)
- The need to identify (and to be able to employ) promoters/organisers coming directly from reality that they are trying to move forward
- The need to educate a new generation of trade union leaders on common issues and shared ideas and values
- Some companies or private sector associations (in certain countries more than of others) change their tactics of anti-trade unionism according to our campaigns

c. The exchange of strategies between different sectors

The **States-Generals of food** in France, at the end of 2017, were scrutinised on the question of the **distribution of the value**.

In the clothing sector, where intermediaries are numerous, the margin possibility is much more important than in the banana sector, where there are only 3 or 4 economic stakeholders along the chain. The question of branding is fundamental in clothing, an issue which does not apply to the banana sector. In the case of **private certification**, there is no guarantee of the fact that they are respected by certified organisations.

La challenge doesn't happen in the same way if it calls for the best working conditions in a sector or totally questions the existence of a sector. For example, in the **mining sector**, in addition to the fact that conditions remain dangerous, even deplorable in some parts of the world where there is strong pressure on mineral exploitation, the very existence of extraction activities greatly weakens the existing sectors of tourism, agriculture, crafts and even the social structures as a whole.

When implementing NGO strategies, there is often a response from companies. It's necessary to adapt strategies according to the response of businesses.

Action items:

The need to share and exchange more the experiences and strategies in extractive and electronic sectors, for example:

- ISF SystExt (Engineers without borders) which works for exemplary extractive models respectful of humans and the environment
- Yes to life, No to mining - public campaign, testimonies of victims, 'toolkits' of resistance in communities
- Good Electronics and Electronics Watch, which work on the equitable supply of electronic products and transparency in electronics sectors for consumers.
- The case of **Samsung France** - Sherpa and Action Aid France/Peuples Solidaires are suing Samsung France for deceptive trading practices. There were hard facts of the violation of the working conditions, child labour and use of chemical products³.
- The work of the ITUC on Samsung in their report **Samsung - modern technology, medieval practices**

³<https://www.cnbc.com/2018/01/11/samsung-hit-with-lawsuit-over-misleading-advertising-related-to-alleged-workers-rights-violations.html>

Session 3: Rethinking value chains - thematic working groups

Facilitated by Françoise Macé (FPH) and Georgi York (Oxfam International)

- A. The regulation of value chains
- B. Competition Laws
- C. Methods of action and mobilisation along value chains
- D. Re-territorialisation
- E. The battle of ideas

Group A. The regulation of value chains

Effective strategies for ensuring more responsible behaviour of companies? The French law on duty of care and the British law against modern slavery (Modern Slavery Act): analysis of the opportunities, challenges and future steps. *Facilitated by Friends of the Earth France and CORE Coalition*

The British Modern Slavery Act

The conditions apply as follows: any commercial organisation operating in the UK with more **£36 million annual sales turnover** is obliged to make sure that each of its supply chains do not comprise of practices which could be described as slavery. This law is also applicable to a French company operating in the UK. Approximately 15,000 companies are covered by this requirement. The law does not contemplate restrictive sanctions. Only 4,000 companies have published a declaration about their supply chains, and the majority are poorly detailed.

However, it's difficult to know if a company is covered by the law. It is necessary to look at its accounts, its sales turnover and whether it has published a report. In addition, it remains very difficult for an employee to have their **working conditions** recognised as slavery.

Certain minority businesses integrate this problem into a wider scope of defending human rights. Nestle and Unilever produced their own **reports on human rights** - Unilever 2015, [Enhancing Livelihoods, Advancing Human Rights](#) /Nestle 2013, [Talking the Human Rights Walk](#)

The law on the duty of care of parent and client companies⁴

It's a law that could be described as a "**citizens' initiative**" because it follows many years of civil society mobilisation on the subject, and the first proposition of law came from work bringing together associations and trade unions with members of parliament willing to support it. Involved are companies based in France with **more than 5,000 workers** in France, or 10,000 workers around the world (approximately 150-200 companies). Some French subsidiaries of multinationals in other countries can be affected. They have a duty to develop, publish, and to effectively implement a **plan of care** that identifies and prevents the risk of serious violations of human rights, fundamental freedoms, the environment, health and the safety of individuals. This plan must contain (1) risk mapping, (2) procedures for the regular evaluation of the situation of subsidiaries, subcontractors and providers, (3) actions to be implemented concerning identified risks, (4) an alert mechanism, and (5) an evaluation of the plan of care and the effectiveness of its implementation. This concerns all

⁴<https://www.tresor.economie.gouv.fr/Articles/2017/05/09/devoir-de-vigilance-des-societes-meres-et-des-entreprises-donneuses-d-ordre>

subsidiaries, as well as **subcontractors**, and **providers** with which they maintain **established trade relations**. An action can be brought before the judge for him to compel the company to meet its obligations. There is the possibility of taking action to engage the civil responsibility of parent companies or client businesses. These actions can be carried out before even any damage or disaster. Does the company have a plan of care? Has this plan been implemented correctly? There are no fines, but an injunction under penalty.

However, this law has limitations. The responsibility of the company is engaged in an **obligation of means**, and not results. The burden of proof continues to rest with the victims. Concerning the **monitoring of the law**, there is no state control; it does not confirm whether a company has published its plan. This is work that falls on civil society organisations, which can check only in a random manner. Moreover, it's not very clear what to include in the number of employees: what about **franchises** such as McDonald's?

Some questions remain on the **requirement level for judges** concerning the law. The following **case-law** will answer these questions. One can also wonder about the scope of the application of law to some particular sectors, for example how the duty of care for a bank will be interpreted.

General guidelines of the OECD⁵

Governments adhering to the general guidelines must appoint a mediating body called the **National Contact Point (NCP)** to deal with complaints against non-conforming companies. However, there has been a decline in NCP referrals in all countries over the past decade, as it is often too biased and too closely linked to states.

The law allows the placing of pressure on businesses, who previously were totally freed their responsibility and wouldn't begin any action in this sense. There was an **awareness** of supply chain problems.

The binding UN treaty on multinationals and human rights [5]

It is imperative to prepare for the **4th negotiating session** on this Treaty, which will take place from 15th to 19th October 2018. The Ecuadorian government, supported by the South-African government is spearheading this text. The critical points to prepare include the question of the **burden of proof on victims**. It's necessary to shift the burden of proof. The majority of governments, mainly northern but not exclusively, are not prepared to cede this point. It will be recalled that in France, the shifting of the burden of France was established 50 years ago concerning the health and security of workers.

Action items:

- On the duty of care laws in France

Report "*The end of the road for multinationals?*":

http://www.amisdela terre.org/IMG/pdf/end_of_the_road_for_tncs_foef-aaf-oct17.pdf

⁵ <http://www.oecd.org/daf/inv/mne/oecdguidelinesformultinationalenterprises.htm>

Frequently-asked questions: <http://corporatejustice.org/news/405-french-corporate-duty-of-vigilance-law-frequently-asked-questions> Vidéo
<https://www.facebook.com/amisdelaterrefrance/videos/1952842464968484/>

- On the UN treaty

<http://treatymovement.com/>

<https://www.stopcorporateimpunity.org>

<https://www.foei.org/news/un-treaty-transnational-corporations-human-rights-progressing>

Group B. Competition Laws

The need to redefine competition in terms of purchasing power ('oligopsony'); how to introduce social and ecological criteria and how to overcome the obstacles with co-operation between economic stakeholders? *Facilitated by Fair Trade Advocacy Office (FTAO), SOMO, BASIC, Fair Trade France*

Reference documents - the joint report (produced by BASIC for Fair Trade France, FTAO, etc) "Who's got the power?": www.fairtrade-advocacy.org/power

Competition law was conceived in order to protect consumers from the irresponsible practices of the private sector, for example when companies agree to raised prices. However today, competition law has become an obstacle to the reinforcement of the standards of sustainable development in trade, in particular because of recent modifications introduced by the European Commission.

In its current interpretation, the "protection of the consumers" consists more in guaranteeing low prices for the consumer rather than ensuring the responsible and sustainable character of supply chains. Thus, the provisions in the EU treaty on competition policies constitute a barrier to inter-company agreements leading to the raising of prices for consumers, whatever the foundation. Hence, companies are not encouraged to begin multi-party initiatives to agree in a collective way on the reinforcement of the responsibility criteria within a given sector, for fear that it does not drive them to infringe on competition law and does not expose them to heavy fines.

Competition law also relates to market structures. Nowadays, supply chains are characterised by a serious imbalance of power which has harmful effects for small producers and workers in developing countries. Mega-fusions to come in the agricultural sector ('Baysanto' for example) risk further accentuating this trend. In recent years, the concern of "general interest" in the broad sense has been increasingly taken a back seat in legislation with regard to fusions. The concentration of power in supply chains is an obstacle to sustainable development.

THE EU AND ITS MEMBER STATES MUST:

- Clarify the conditions under which private sector stakeholders can gather to collectively agree permanent measures to improve the social and environmental responsibility in a sector given without infringing on competition legislation, of which the EU could also prevent adverse effects.
- Impose the evaluation of environmental, social and governance impacts of each fusion, including the impact on workers and producers in developing countries.
 - Re-assess the definition of dominant positions in the market, reflecting on maximum market share and by ordering as a last resort the dismantling of the powerful conglomerates.

WHEN SUSTAINABLE DEVELOPMENT PREVAILS OVER COMPETITION LAW: THE EXAMPLE OF THE NETHERLANDS

Can private sector stakeholders agree in a coordinated manner to gradually put an end to the breeding of battery chickens? Shouldn't Dutch consumers have the right to more responsibly sourced products? Such are the questions which were debated in the Dutch Parliament following a multi-party initiative which aimed to prohibit the cruelest forms of chicken production, known as the "chickens of tomorrow" affair (Kip van Morgen).

The political pressures exerted as part of this affair led the competition authority in the Netherlands to define the cases where a multi-party agreement cannot be the subject of an investigation as competition law makes provision for this, specifically cases where the reinforcement of social and environmental responsibility compensates for the short-term increase in the prices applied to consumers.

Other countries and, with time, the EU itself could be interested in engaging in the debate on this matter.

Action items:

- Sergi Corbalan of the FTAO asked participants to inform him of any cases where their actions had been limited / prevented (e.g., promoting sectoral engagements on fair pricing, reasonable work, etc.) under the pretext of these competition laws (corbalan@fairtrade-advocacy.org)

Group C. Methods of action and mobilisation along value chains

For regulation and sectoral transformation along the chain – the interest and role of workers, consumers and citizens. Facilitated by the [CGT](#) and [RéAct](#).

It is necessary to take into account the terminology that we use:

- 'Value chains' represent dominance and economic power
- 'Chains or industry sectors'⁶ which represents the working community

It is not a coincidence that we speak more about 'value chains' today. How to organise and take back the power in this context of dominant neoliberalism?

Interactive activities / role play, using the example of the rubber chain:

- Who are the main stakeholders in the chain?
- What are the issues for each stakeholder in the chain?
- What are the levers that we can use for action and mobilisation?
- How can we work together along the chain?
- What are the common objectives which unite the stakeholders?

Conclusion / Action points:

For the mobilisation and action activities of our network, we have to work together to share relevant information, existing research and to identify the need for new research on value chains, in particular:

- common problems and challenges
- key stakeholders and their strategies for the concentration of control, power and value along the chains.
- decision points, political pressure and hence the levers of action
- strategies for sectoral transformation: to document how - and where - changes were made.

⁶ This point is more relevant in the French language where there is a common use of both 'value chains / chaînes de valeur' and also 'filieres / chain / industry sectors' when talking about local and global trade.

Reflection around action in value chains finally constitutes a co-construction of solidarity between the various struggles with the whole chain. This rests on the identification and the construction of common interests throughout the links in the chain.

Group D - Re-territorialisation

How to work in a pragmatic way on the multiple intersections between the local/territorial economies and regional, national, transnational and intercontinental chains? Which are the principal obstacles to the autonomisation of the local territories faced with economic interests and financial predators?

Facilitated by [Karin Seigman ISS](#), [Henri Rouillé d'Orfeuil ReSolis](#) and [Marthe Corpet CGT](#)

Territories are governed, socialised, developed and spaces where **economic activities** take place. Local and national authorities have the responsibility to develop them. Today, 90% of the food system is in the hands of global stakeholders. This globalised food system is characterised by a mass production, transformation, distribution and consumption of food. In this area as in others, global stakeholders do everything to **avoid assuming responsibilities inside** territories, whether it be fiscal, social or environmental responsibilities. For consumers this system has economic advantages, but the production process and consumption of food have negative social externalities (massive destruction of employment in agriculture), environmental (depletion of the natural resources, chemical pollution...) and cultural (negation of food diversity). These bad performances, considered negligible when the priority was to produce more and less expensively, appear increasingly damaging today.

The question of transition is therefore posed today. It is not about proposing an imaginary, dream-like reality, but to respond to the shortcomings and weaknesses of the dominant globalised and 'agro-industrialised' food system of today. To do this, we propose the following:

- Re-ground global stakeholders and lead them to assume responsibilities in relation to local territories : fiscal, social, environmental and cultural responsibilities ;
- Re-launch local food economies and make it the main engine of territorial development;
- Rebalance and regulate these two economies, globalised and territorialised, which must coexist in the same economic space;
- Fight against the poor social, environmental and cultural performances of agro-industrial production systems.

Example of SOS Rosarno, citrus production in Italy²

In southern Italy, small producers of the lemon industry have suffered increasing pressure, mainly linked to a massive influx of migrant workers prepared to work any conditions of rights and pay. This phenomenon led to riots in 2010. A collective reflection finally began, which made it possible to agree the fixing of a fair price for the producers and the workers, whether locals or migrants, and on the development of organic production.... And, eventually, on a climate of cooperation.

The exchange between group participants revolved around a series of questions:

²<http://column.global-labour-university.org/2017/09/a-worker-driven-way-out-of-crisis-in.html>

- Is there a level of production beyond which humanised / labour-intensive production is no longer possible?
- Is there room for taking into account the nature of various industry sectors in the implementation of an economic relocation strategy?
- Should we not give back means and increase decentralisation if we want to better value territorial resources?
- How do we reduce the distance between the governance of territories and their inhabitants?
- How do we promote more participative governance?
- Can we envisage the creation of an international organisation facilitating the recognition and development of territorial economies?
- How do we **dismantle myths** about the capacity of large businesses to create more jobs and reduce environmental costs?
- Is it possible **to envisage agreements between territories** which have complementary economies? For example, in the Mediterranean regions.
- Shouldn't we also support inter-professional organisations inside the same territory or on a larger scale?
- How do we tackle the redevelopment of predominantly industrial territories?
- For the same product, sold at similar prices in localised systems and globalised systems, the consumer finances three times more work and three times less capital when the product passes through a chain of local intermediaries.

Further points :

- Could we not create a label "Fair-trade territories" taking into account the criteria of sustainability? Such a label would help to guide public procurement.
- See also "Coalition of Immokalee Worker"⁸ (Cf. Building bridges between the various stakeholders).
- See the "Reclaiming Public Services" movement⁹

Group E - The battle of the ideas

Re-thinking the articulation between local and global and between action and research. How can academic skills be useful to social movements, in particular through training and education?

Facilitated by Florence Palpacuer ISS and University of Montpellier, Alistair Smith from Banana Link, Simon Adderley University of Oxford Brookes

⁸Coalition of Immokalee Workers <http://ciw-online.org/>

⁹ Booklet containing examples of reclaiming public services/remunicipalisation:
https://www.tni.org/files/publication-downloads/reclaiming_public_services.pdf

Florence Palpacuer – The role of academics is to provide intellectual underpinning to practitioners, who themselves often don't have the chance to study academic theory related to their work. However, academics don't sufficiently engage with practitioners. How can we better support each other?

JILL (Oxford Brookes) – Principles for Responsible Management Education - PRME (<http://www.unprme.org/>). The PRME plan began in 2007 led by business entrepreneurs and business school deans in partnership with the United Nations (UN). The UN secretariat now leads on this initiative which is founded on a set of guiding principles.

The PRME plan is aimed at educating company managers and is based on 6 principles to PRME: Purpose, Values, Method, Research, Partnership, Dialogue. The idea is that business schools should sign up to it and deliver curriculum that reflects values of PRME, collaborate with industry to deliver change, whose own organisational activities reflect those of PRME.

The online resources available provide information on everything going on in business education in relation to PRME.

PRME is very influential in Anglo-American business schools. When schools sign up to it, they must submit progress reports to evaluate how the principles are put into practice.

Most countries have a PRME affiliated organisation and there are a lot of resources on the subject. PRME is applied on a voluntary basis (soft governance). In practice there is therefore minimal change. One of the big drivers which generates engagement is the fact that PRME accreditation organisations demand that business schools demonstrate the sustainability of their model. The PRME plan receives a lot of support in UK, but here's less critical analysis of the PRME programme and its potential.

Arguably for many PRME is just a continuation of existing concepts used in business manager education. Some academics are challenging PRME. The energy behind PRME is effective in generating interest, we should co-opt this, but change the terms of debate within it. At the moment PRME is a constrained space, the values at the moment are problematic. Potentially, PRME could be used to drive a different agenda.

Florence Palpacuer - When creating the RGVC website, we generally decided to stay away from anything related to CSR. We need to critique/challenge it and the PRME if we want to change the business world.

Alistair Smith - there is a mental disjuncture in a business between left and right-side of the brain. The profit motive / commercial and buying teams drive big retail (left-brain) in contradiction to sustainable and responsible sourcing motives / ethical and CSR teams (right-side)

Simon Adderley - The intellectual origin of public/private partnership projects on which business is founded was Michael Porter (Harvard Business School) author of *Creating Shared Value*

GROUP E splits into two working groups

French speaking group

Idea of RGVC website was to provide a platform to enable minority voices to be heard (in terms of the dominant world of business etc). It gathers diverse research specialists who research these topics, not all from management schools. The resources created by NGOs can be used by researchers and students. The response to the website was pretty positive, particularly from universities. There

are various resource sharing websites, however, NGOs don't always show as much interest as academics and students.

How can we engage CSOs? Maybe the language used is too different in the NGO and academic spheres.

The supremacy of management discourse has led many actors involved in training of managers and businesses to question their reason of existence. PRME resembles a critique of business schools by CSOs, but this is a chance for CSOs to talk to academics and debate the importance of training with universities. Academics then have the chance to change agenda. If CSOs come together with academics, it would be a way to recreate a sense of purpose. We should invest more time/energy in practitioners going to universities. Building this bridge is important.

Given that academic papers are composed using language that isn't accessible to the wider public, what communication strategy can academia use to relate to trade unions/CSOs?

The creation of this network is a very good idea, because it brings together researchers and CSOs to work together in achieving long term objectives. There are two complementary elements: the engagement with CSOs towards a long term impact on their discourse and also the engagement between academics and Fairtrade and the need to communicate differently. Another element which is important is the use of practical examples/case studies by academics within business schools, when they work together with CSOs. This already happens in UK universities, but not sufficiently in France.

In France, academics are increasingly losing their motivation. Therefore in France CSOs could potentially support academics, unlike in the UK where it is perhaps the other way round. Banana Link have created multimedia case study resources along one supply chain of Tesco and Carrefour. It was created with group of students from Creteil University, Paris (but it needs to be translated into English and the interviews updated). It is a fantastic resource on the questions of the disjuncture between company CSR and the realities of trade.

English speaking group:

The academics and NGOs need to share and understand one another's objectives and fill the gaps that exist. Academics need to meet measurement targets i.e. need to publish to particular audience, and the problem is that this isn't always useful to NGOs. Co-creation is therefore important to ensure that the needs of both groups is met (with a focus on the respective audiences). There needs to be a space to build this common understanding. The RGVC website is potentially a space, but there's still a gap. Communication is important.

Academic publications that tend to influence/shape discourse are those that tend to use lots of numbers/stats (quantitative research) but these aren't always completely relevant. This creates shared frustrations between CSOs and academics. The problem, however, is that it is difficult to publish if the research is not quantitative.

[Point for follow up:](#) See the 'think tank' proposal below

Session 4: Proposal for collaboration around the coffee sector, by Christophe Alliot, [BASIC](#)

Reference document: 'Study on the sustainability of the coffee sector - How to ensure the resilience of the coffee sector in the context of socio-economic uncertainty and climate change?' - [for download here](#) (in French only)

BASIC, the French Platform for fair trade (today Fair Trade France) and Max Havelaar France met around the idea of having a concrete sector-chain example. Banana Link and the 'Rethinking value chains' network are partners in this study.

The objectives of this study are **to alert consumers** and civil society about social and environmental issues (especially about the situation of producers and climate change which threaten cultivation territories) and to **analyse the impacts** of the main existing sustainable initiatives, and of fair trade confronted by these issues.

This report must contain recommendations and will have to be distributed to governments. The example of Ethiopia and Nicaragua is interesting with regard to relocalisation: these countries have local consumption with **local cultivation and transformation**.

The question of the **health of consumers** is equally crucial, whether it be the use of capsules ('dosettes') or simply the cultivation of coffee which uses enormous amounts of pesticide (the most in the world after cotton). It is recalled that coffee is equally used in **medicine** as caffeine.

This study could be a mobilising tool for our network, an example of all the themes we are currently working on, and therefore useful for a future public campaign.

Action items:

- Any contact in the coffee industry is welcome - forward to Christophe: christophe@lebasic.com
- Sergi/FTAO could contribute to the development of recommendations and also convey them to the European Parliament. The need for a report in English.
- Mathilde (Fair Trade France) proposes the use the study as a mobilisation tool for COP24 - UNO Climatic Conference Change in Katowice, Poland December 2018
- Thibaud (ISF SystExt) - the fact that the analysis of the industry future - in 20-30 years - takes into account ecological limits is very interesting; it's a very useful strategy for various value chains, including extraction. It will be a good joint project between all network stakeholders.
- Share the study by BASIC 'The [dark side of chocolate](#)'

Session 5: Define our directions, priorities and potential synergies for 2018-20. *Facilitated by Adrien Roux, RéAct, and Alistair Smith and Anna Cooper, Banana Link*

- a. **An interactive activity by Adrien Roux to identify our positioning on the themes of the network**

Using a popular education method, Adrien facilitates an activity which requests participants to position themselves according to their convictions on concrete examples, with reference to production practices and product marketing. As the last stage of the discussions, we work in small groups to share our key questions for the rethinking value chains network:

The improvement of the current system (counter-hegemonic) :

- How to work better between different value chains to identify and make visible the common problems, and act together?
- How to better take in account the ecological limitations and identify the challenges and opportunities that they present? Notably global warming.
- Produce more to produce less? But with what impact on the employment of workers?
- What's next for certification, what are its limits?
- How to identify the levers on which one can work in value chains (for example the assembly of shareholders).
- How to value social and environmental performances in order to insert them in discussions with public authorities?
- Work so that distributors have more responsible practices?

Research on alternatives (anti-hegemonic)

- How to mobilise consumers as consumer-stakeholders?
- What are the financial resources for these alternatives? How will they emerge?
- What can be done to replicate diverse local initiatives and apply the level change in alternatives? Move from local to the global.
- How to include all levels in value chains?
- What do we expect from the state, at national and international levels?

These questions are a base for the directions and priorities of the network.

b. **Plenary discussions - development of priorities**

We must closely examine **the pillars of capitalism** - the policies of profit-focused businesses; pension funds and the power of shareholders to maximise dividends; competition laws. The existence of a company is based on a double economy: a real economy and a financial economy which goes through shareholders and banks.

Currently President Macron has formed a working group to redefine business: what is a business, what are its objectives in social and environmental terms? We will have to follow the results of the [Consultation on the action plan for the growth and transformation of businesses \(PACT\)](#)

The mobilisation of public opinion is essential, through campaigns, and we can use our network to increase the impact of specific campaigns if we are consistent with our principal objective.

There is a need to reinforcement the work-in-progress in our organisations. The network space can facilitate new dynamics of thought and action.

Importance of setting-up discussions and specific proposals of advocacy. (The Nespresso capsules could be a mobilising product). There are commonalities between value chains. In any case it is necessary to reach both ends of the chain: consumers, but also local and national authorities, public institutions. It is necessary to emphasise overconsumption, and transparency at all levels of the value chain. Several case studies could be interesting to identify the failures and key strengths upon which to go by. We must adopt advocacy strategies at the global level.

The power of consumer associations. It is necessary to educate consumers. The media can be a pressure lever on companies, and information tools for consumers.

It is necessary to identify decision points: prices, working conditions, conditions of purchase, which influence decisions, shareholders, the media. These are our action levers.

It would be interesting to **think about a specific chain**. For example to build a reflection on the coffee study by BASIC. To identify the role of the state and stakeholders who wish to join (producer and conveyor organisations, coffee-vendor organisations). These are levers to raise. To begin actions with consumers, and to draw the attention of policy makers.

We must define **the role of academics** in this type of network/work. Is their role to ensure validity? It is necessary to engage them more on the ground. They can also contribute by listing and sharing **common issues** with different chains, and indexing the failures as to not make the same mistakes.

We must consider:

- a. activities that we can undertake together as a network
- b. activities of specific organisations which could be shared and supported by this network
- c. what we can reflect upon together in order to bring about long term changes

c. **Potential actions and next steps for the network 2018-2020**

N.B. The following points are the result of working group discussions during the seminar (session 5) and those of subsequent meeting of the network core group to develop proposals and actions / action items.

- **The launch of a 'Think-Tank'**

For the open sharing - between practitioners and academics – of skills, knowledge and expertise on value chains and to identify together priorities for future research on value chains = a mutual benefit for all stakeholders of the network *Rethinking Value Chains* to ensure that the research of academics is put into practice and contributes towards a real change.

Specific activities of the 'Think-Tank' will include:

- Tracking information on **emerging trends** in value chains to help us develop a long-term perspective of value chain issues (inclusive of ecological boundaries, the impact of climate change, and technology, etc.).
- **Case studies by sector** - with the possibility of drawing-up an « interactive map » - in order to share relevant information, existing research and to identify the need for research on :
 - common problems and challenges
 - the key stakeholders and their strategies of concentration of power along chains (with the possibility of elaborating a chart «*banana split*» for each sector - the breakdown of value)
 - decision points, political pressure and therefore the action levers
 - strategies for sectoral transformation - to document where the change has been made and how
- To develop **online reviews** and share existing publications, research results, etc., around the themes of the network;
- To develop **educational material for future managers and decision-makers** (students in business/management/economics schools) - to systematise existing resources and work together with the **RGVC** to develop this joint initiative.

- To organise **workshops** on specific themed questions linked to the reconfigurations of value chains.

The potential financing of the set-up of this “focus group” and its online platform could be secured through the Oxford Brooked University. Meanwhile, we can use the existing partner platforms, such as:

<http://www.responsibleglobalvaluechains.org/>

<http://open-ressources.org>

<https://www.birmingham.ac.uk/generic/tsrc/index.aspx>

Action items:

- Anna will send an initial message to potential coordinators of the Think-tank to start the development of this proposal - Sergi, Simon, Jill, Florence, Iain, Maggie, Christophe, Mathilde, Laura
- To identify in our network budget 2018-2020 available funds for research studies (our joint fund of internal research) and to develop the terms of reference in 2018 to identify priorities for this research fund and to provide a base for decision-making on which studies to finance - Anna and Sergi
- To confirm potential co-financing through the university Oxford Brookes - Simon/Jill
- To confirm how can we use the site [RGVC](#) for the provisional launching of the Think-Tank, with an option to create a specific page in English and French - Florence and Banana Link
- To start to bring together all the already existing resources for the Think-Tank (using our file [Google Drive 'Rethinking Value Chains'](#) while waiting) - Anna and all members of the network
- To communicate with BASIC so that the coffee study can include the key elements that we want to include as the first case study through the Think-Tank - Banana Link with Christophe
- To contact [CIRAD](#) to share their research on where the food value chain will go in 2050, and also to profit from certain skills in that area.
- To contact [the ETIU](#) (European Trade Institute Union) to see how we could work together within the framework of the Think Tank

- **The launch of a public campaign in 2019**

For us, the idea would be to mobilise public opinion and make consumers aware of the need for binding regulation, fair and sustainable trade, economic alternatives and global action on climatic change = a campaign on the European level with specific examples, for example, coffee, telephones, fruits, clothing, mining industries.

Potential mobilisation around [the coffee study](#) : The objective for the network is to be able to better understand the common elements between various chains, and to be able to use the example of the coffee sector, with the study to support, to communicate in a clear and “mobilising” way - in the anglophone as well as in the French-speaking world - around key conclusions. Beyond the communication which will be made by the principal financers of the study (Fair Trade France and Max Havelaar France). These conclusions will in particular be around:

- the extreme vulnerability of the arabica bean to climactic disturbances (the end of this variety is announced for 2040);
- the excessive added value that the sale of coffee in standard Nespresso capsules (32 Euros per kilo) represents;
- the contribution to pollution by these plastic capsules

Our education and mobilisation tools to be developed during 2018:

- a network "manifesto": a strategic document which will be presented to our current and future partners, and that will highlight our main objectives and ideas about how to achieve them. This will help to direct our activities and also to call upon the necessary expertise of external partners.

- a booklet: a concise and accessible document (A5 format) which we will use to educate and mobilise a wider audience towards the objective of our campaign.

- an Internet site (an online platform to accommodate our mobilisation tools, current events from our network and our public campaign).

Action items:

- The organisation of strategic meetings with our trade-union partners: CGT, ITF, ITUC, the IUF, TUC and IndustriALL (Follow up: Banana Link)
- To engage consumer associations in the network, e.g., [Consumers International](#) ? Follow up: Anna with Mensa Civica
- Develop a short declaration / manifesto to help us communicate the 'position' and the objectives of the network - see the [Leap Manifesto](#) and [Indignez-Vous](#) as examples
- Update network organisation profiles, with information about their current work and also their advocacy abilities / network size
- The need for examples / case studies on the importance of shifting the burden of proof in duty of care cases - Anne Lindsay of [CAFOD](#) is developing an advocacy campaign around this issue.

- **The coordination and monitoring of four thematic working groups on:**

1/ The regulation of value chains - Coordinate with the Friends of the Earth France, Sherpa, CORE U.K CGT

2/ Competition Law - Coordinate with the Fair Trade Advocacy Office, SOMO, BASIC, Fair Trade France

3/ Re-territorialisation - Coordinate with Karin Seigman of ISS and Henri Rouillé d'Orfeuil of ReSolis

4/ The battle of ideas - Coordinate with Florence Palpacuer of Montpellier University, Alistair Smith of Banana Link, Simon Adderley of Oxford Brookes

Action items:

- Anna/Banana Link and Peoples Solidaries-ActionAid France will organise follow-up calls with the four working groups to agree next steps and actions for each group within the framework of our network;
- We must also explore how to work on the theme of the **financialisation**, as a major obstacle in value chains - Christophe of BASIC will develop a proposal for the network. See also the work of [Share action](#), British NGO.

EVALUATION OF THE SEMINAR - participatory activity facilitated by Alistair Smith

The idea or most interesting activity suggested during the seminar

- The idea of the Think Tank - repeated as a priority by several people
- Case studies by sector - to unite existing information and the expertise of each sector
- The coordination of actions between different organisations and sectors, NGOs and academics, with the potential to widen the impact of their work.
- An open space for reflexion and discussion outside of the daily 'business have usual'

Thoughts / suggestions

- Better set the objectives of each session / working group.
- Discussions were too general, the need to focus the areas of discussion.
- Arrive with proposals for further steps at the start of the seminar.
- Not enough time to socialise and make the most of the place
- It was cold in the meeting room!
- A need for the increased participation of trade unions and consumer associations.

APPENDIX : LIST OF PARTICIPANTS

Organisation	Name	Country
NETWORK FACILITATORS		
Banana Link	Anna Cooper	France
Peuples Solidaires-Action Aid France	Sébastien Chailleux	France
CORE GROUP MEMBERS		
BASIC (30th only)	Christophe Alliot	France
Banana Link	Alistair Smith	France
Banana Link	Iain Farquhar	United Kingdom
RESolis/IRG	Henri Rouillé d'Orfeuil	France
CGT	Marthe Corpet	France
University of Montpellier	Florence Palpacuer	France
Ethics on the Label / Clean Clothes Campaign	Nayla Ajaltouni	France
Fair Trade Advocacy Office (FTAO)	Sergi Corbalan	Belgium
IDDR1 (31st only)	Pierre-Marie Aubert	France
Friends of the Earth	Juliette Renaud	France
Oxford Brookes University School Business	Simon Adderley	United Kingdom
ReACT	Adrien Roux	France
Charles Léopold Mayer Foundation	Françoise Macé	France
Corporate Responsibility Coalition (CORE)	Marylin Croser	United Kingdom
Fair Trade France	Mathilde Brochard	France
OTHER CONTACTS		
International Institute of Social Studies - ISS	Karin Astrid Siegmann	France
Oxfam GB	Laura Raven	United Kingdom
Oxfam International	Georgi York	United Kingdom
RONGEAD	François Griffon	France
SOMO	Sanne van der Waal	Netherlands
Good Electronics Network	Brigitte Demeure	France
COLSIBA (Coordinating Body of Latin American Banana and Agro-industrial Unions)	Gilbert Bermudez	Ecuador
STF Systext	Thibaud Saint Aubin	France
Gender in value chains specialist	Maggie Burns	United Kingdom
Mensa Civica	Juan Carlos Cirera	Spain
Collaborating Center Sustainable Consumption & Production (CSCP)	Jana Brauer	Germany
Max Havelaar France/FTAO Board	Valeria Rodriguez	France
Max Havelaar France	Paul Belchi	France
Oxford Brookes University School Business	Jill Millar	United Kingdom
Peuples Solidaires-Action Aid France	Frédéric Danielczak	France
INTERPRETERS		
ENG/FR	Julia Dick	United Kingdom
ENG/FR	Anne Geurts	France
ENG/FR	Marion Guerin	France
ENG/FR / ESP	Caroline Fraise	France
EG/FR/ESP	Valeria Luna	United Kingdom
FACILITATION SUPPORT		
Banana Link	Romina Olivera	United Kingdom
Consultant	Camille Mino	France
Peuples Solidaires - Action Aid France	Colin Solere	France