

Final Report

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Sustainability Standards, Labor Market Implications, and Workers' Wellbeing in the Small Farm Sector

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Description of the project

This research project is part of a larger study that aims at analyzing socioeconomic and environmental effects of sustainability standards (especially Fairtrade) in the African small farm sector. The empirical work focuses on Côte d'Ivoire. The study involves comprehensive surveys of sustainability-certified and non-certified cooperatives (N=50), cooperative workers (N=250) employed by the sample cooperatives, farm households (N=500) that belong to the sampled cooperatives, and farm workers (N=250) who are employed by the sample farm households. The surveys were implemented in 2018. They were funded through the DFG Research Training Group "GlobalFood" (RTG 1666) with co-funding from the Foundation fiat panis. Funds provided by fiat panis allowed us to carry out the survey of workers employed by smallholder farmers and cooperatives in order to analyze the effects of standards on working conditions and workers' wellbeing. Sustainability standards are aimed at improving the wellbeing of farmers and workers, but empirical evidence about the actual effects on workers employed in the small farm sector is very limited. Rural worker households in Africa typically belong to the poorest of the poor, so extending the research focus on this group is highly relevant from a development policy perspective.

Project activities

Pre-visit

Jorge Sellare and Eva-Marie Meemken travelled to Côte d'Ivoire from 19 February to 3 March 2018 to establish contacts with partners from the World Agroforestry Center (ICRAF) in Abidjan. Our main counterpart for this study is Dr. Christophe N. Kouame, ICRAF's Regional Coordinator for West and Central Africa. To gain background information, Sellare and Meemken conducted qualitative expert interviews with political decisionmakers, researchers, representatives of development agencies, and private cocoa companies in Abidjan. Together with local partners, the case study area was selected, namely the districts Comé, Lacs, and Lagunes in the South-East of Côte d'Ivoire. To better understand local conditions, focus group discussions with cocoa farmers and informal interviews with farm workers, cooperative workers, and local extension officers were conducted in the study area. These activities were logistically supported by ICRAF.

Questionnaire development and survey preparation

In March and April 2018, Jorge Sellare and Eva-Marie Meemken developed the instruments for the structured surveys. In particular, questionnaires for cooperative leaders, workers, and

farmers were developed and programmed for tablet-based personal interviews. Logistical issues for survey preparation were also addressed during this time period.

Survey implementation

The survey was conducted between 25 April and 10 July 2018 by Jorge Sellare and Eva-Marie Meemken. During the first weeks, complete lists of all cooperatives in the study region were compiled and 50 cooperatives were randomly selected for the survey. All sampled cooperatives were contacted. Further, a team of local coordinators (N=3) and enumerators (N=10) was trained during the first weeks in Abidjan. During the following weeks, the survey was implemented in the study region. Farm households (N=500), farm worker households (N=250), and cooperative worker households (N=250) were selected through stratified random sampling procedures. The fieldwork was completed successfully within the scheduled timeframe and budget.

Data entry and cleaning

Data were entered during the fieldwork (as tablets were used for data collection). Data entries were checked on a daily basis by Jorge Sellare and Eva-Marie Meemken. In case of potential data entry mistakes or missing information, respondents were called during the next days to verify or complete the information.

Data analysis and paper writing

Data analysis to address the question of worker welfare effects of Fairtrade standards was started in July and continued in August and September 2018. This analysis was conducted by Eva-Marie Meemken. Based on the results, a paper was written with Meemken as first and main author. This paper titled “Benefitting the poor but not the poorest of the poor – Wage effects of Fairtrade standards” was recently submitted to a journal. The full paper is included in the appendix of this report. A summary of the results is provided below.

Jorge Sellare also started the data analysis focusing on the effects of standards for farmers and agricultural production patterns. He plans to write three papers that will form the basis of his PhD dissertation in the GlobalFood Program. The first paper, will analyze the effect of Fairtrade standards on farm household welfare. The second paper will explore the role of cooperative characteristics for certification outcomes at the cooperative and farm level. The third paper will focus on environmental effects of Fairtrade certification. Preliminary results for the first paper suggest that Fairtrade has a positive impact on farm household living

standards, also after controlling for possible selection bias and cooperative characteristics. These papers by Jorge Sellare will be further developed in 2019. Submission of the dissertation is planned in March 2020.

Research results on worker welfare

The paper “Benefitting the poor but not the poorest of the poor – Wage effects of Fairtrade standards” was developed by Eva-Marie Meemken and is coauthored by Jorge Sellare, Christophe N. Kouame, and Matin Qaim (see full paper in the appendix). The paper analyzes the effect of Fairtrade standards on workers in the small farm sector. Rural workers in developing countries often face very low wages, precarious working conditions, and high levels of poverty. Ethical food standards – such as Fairtrade – could potentially improve the situation. While many studies analyzed the impact of Fairtrade on smallholder farmers, very few looked at effects for workers, and those that did focused on workers employed by large companies. Yet, most rural workers in developing countries are employed by small and medium-sized farms and cooperatives. This paper addresses this gap and focusses on workers employed by smallholder farmers and their cooperatives. The empirical analysis focuses on the cocoa sector in Cote d’Ivoire and is based on comprehensive surveys of both workers and employers. We differentiate between farm workers and cooperative workers. We find that Fairtrade standards increase the wages of the comparatively better-off, namely the cooperative workers, while no significant effects are found for farm workers, who belong to the poorest and most disadvantaged groups of the rural population. For cooperative workers, Fairtrade also increases the likelihood of holding a written employment contract, which we interpret as a sign of higher job security. Such effects are not observed for farm workers.

Fairtrade is currently perceived as a suitable development tool to benefit smallholder farmers and rural communities more broadly. Our findings challenge the notion that Fairtrade would benefit everyone participating in certified value chains, and especially the poorest participants. Our sample of farm workers is composed of landless and migrant workers with low human, social, and political capital. These farm workers are not only invisible to most policymakers and researchers; they are also overlooked by organizations – such as Fairtrade – that aim and claim to make modern value chains work for the poorest of the poor. Ensuring that the poorest workers also benefit from Fairtrade labor standards would require closer monitoring of labor standards at the farm level.