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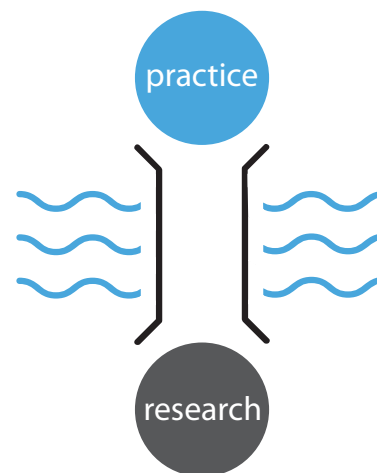
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by Arno Kourula

Assistant Professor, University of
Amsterdam Business School

Academic Roles in Bridging Gaps



The research section of the ARSP profiles leading academic thinkers, initiatives and projects on cross-sector partnerships around the world. It presents new methodological insights and aims to increase discussion about the impact of scholarly research. This year our stellar team provides a lot of food for thought as to how academics can bridge gaps across geographies, backgrounds and disciplines. In this quest for impact, we explore the roles of partner, co-creator, platform and translator.

First, our Associate Editor Adolf Acquaye presents a research project titled **Global Certifying Partnerships**, led by Professor Pieter Glasbergen (Maastricht University). This joint program between Maastricht University in the Netherlands and the University of Lampung in Indonesia shows how academics can function as partners in impactful knowledge creation. Second, a team of early career earth system governance academics provide an excellent overview of innovative participatory research methods that could be applied in a variety of fields and contexts. These co-creation approaches advance our understanding of global cross-sector challenges. Third, our Associate Editor Greetje Schouten interviews Professor Pratima (Tima) Bansal (Ivey Business School) on how the **Network for Business Sustainability** is helping to span the chasm between academic research and the world of practice, by acting as an innovation platform. Fourth, Associate Editor Lauren McCarthy asks Stephen Khan, Editor of *The Conversation*, how scholars should translate and communicate their findings to the wider public.

In the Thought Gallery, we hand over the reins to internationally recognized thought leaders to elaborate on their current thinking and suggest a path forward in partnering. This year's issue features three innovators from the U.K.'s Royal Society for the encouragement of Arts, Manufactures and Commerce (The RSA): Matthew Taylor (Chief Executive and ARSP Advisory Board Member), Rowan Conway (Director of Innovation and Development) and Ian Burbidge (Associate Director of Public Services). Their contribution offers insights into how top-down and bottom-up approaches can be combined successfully. Subsequently, we will hear from three academic pioneers, Professors Rob van Tulder (Rotterdam School of Management, ARSP Advisory Board Member), Juliane Reinecke (Warwick Business School) and Jimmy Donaghey (Warwick Business School), who provide an overview of their research on cross-sector partnerships. Van Tulder offers provocative insights on how to save the partnership paradigm from its staunchest supporters. Reinecke and Donaghey take us back to the Rana Plaza building collapse and present what has happened since. All these contributions demonstrate the diverse roles academics can play in bridging the gap between research and practice.

If you would like to suggest projects, profiles, or themes for this section next year, please contact the Section Editor Arno Kourula: A.E.Kourula@uva.nl



Promoting Effective Partnering

The *Partnerships Resource Centre (PrC)* is delighted to sponsor the ARSP Research Section, now for the third year in a row. The ARSP community is important to us – in fact, it is essential to our work.

The PrC carries out fundamental and applied research, develops tools and delivers on- and off-line learning modules and executive training in the area of cross-sector partnerships for sustainable development. Located in Rotterdam, the Netherlands, and embedded in the *Rotterdam School of Management, Erasmus University*, we focus on understanding partnerships for sustainable development. By doing so we aim to enhance scientific knowledge about partnerships, as well as strengthen partnership practice. Clearly, our goals and interests overlap a great deal with those of the ARSP.

One of the projects we have been working on this past year has been the *Promoting Effective Partnering (PEP)* facility. In the project, a group of leading thinkers in partnering has been working together to pool their

knowledge and rich practical experience to identify and share what it takes to really raise the bar of effective partnering. These leading thinkers are *CLI, PBA, PiP, PrC*, and *TPI*.

Go to <http://www.effectivepartnering.org> to see what we have come up with to enable practitioners across the globe to improve their partnering efforts and bring about transformational results. The information presented is not intended to be prescriptive – rather, we invite partners to question our approaches as well as their own. There is no one-size-fits-all solution. The next step for PEP will be to activate a vibrant platform offering opportunities to learn from the experience of peers and to seek support when things are not going according to plan. Please feel free to join PEP!

The PrC welcomes engagement in its current and future research projects from the ARSP Community all over the world. Contact Training and Communications coordinator Anne Marike Lokhorst to discuss opportunities for interaction: lokhorst@rsm.nl. Follow us on Twitter: @RSM_PrC

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Social and Economic Effects of Partnering for Sustainable Change in Agricultural Commodity Chains: A Southern Perspective

Introduction to the Project

Partnerships between businesses and nongovernmental organizations in the global North that address production of agricultural commodities in the global South have been used as a basis to improve the social and environmental aspects of production, while maintaining or improving the economic prospects of trade. These collaborative agreements have become commonplace since the mid-1990s and have been delivered through private sustainability standards, including for agricultural commodities like palm oil, coffee, and cocoa.

Despite these initiatives, the current state of research indicates disagreement and intellectual tensions concerning the impact of these partnerships on the stakeholders they seek to benefit. For instance, while some studies have found positive effects on the establishment and functioning of producer organizations and on health and education of smallholder farmers, other studies have found that certification is unable to guarantee premium prices and that the bargaining power of farmers remains weak following certification. It is therefore unclear how and to what extent certification schemes contribute to

the welfare of producers in Southern countries.

The Social and Economic Effects of Partnering for Sustainable Change in Agricultural Commodity Chains in Indonesia research therefore seeks to unravel some of the issues and potential benefits that pertain to such partnerships. This research starts with the need for a problem-driven approach, instead of a policy-driven one. The difference between these approaches is based on the underlying assumptions and premise taken to resolve the conundrum of the potential impacts of such partnerships. In the problem-driven approach, the values, and interests of smallholder farmers and their institutional context are put at centre stage. In contrast, the policy-driven approach implicitly assumes the effectiveness of certification standards as mechanisms to solve social and environmental issues of the farmers, such as improved livelihoods.

The Research Partnership

The project (2012-2017) involves a bilateral cooperation between Maastricht University and Lampung University, with the financial support from the Royal Netherlands Academy of Arts and Sciences (KNAW) and the Directorate General of Higher Education (DIKTI) of the Ministry of Education and Culture of the Republic of Indonesia. The global coffee, palm oil and cocoa chains serve as main fields of research in the assessment part of the program. The research combines governance theory and economic theory and applies a variety of quantitative and qualitative integrative/sustainability assessment methods.

Potential Outcomes of Partnerships in Agricultural Commodity Chains

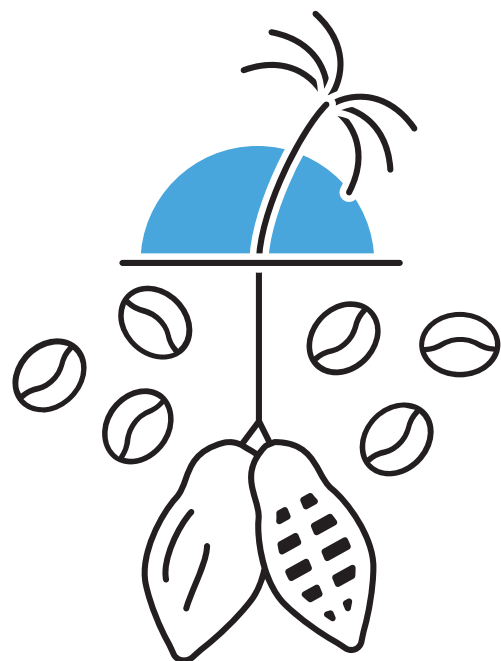
In general, the research indicates that certified farmers perceive higher benefits than uncertified farmers. Certification provides training to the farmers which improves the quality and quantity of their production, strengthens organizational capacities and creates market opportunities. However, this is still an unspecified observation. The research also reveals a lot of conditionalities. Below we summarize some of the most important ones.

1. First, the research shows a difference between the framing of the problem certification aims to solve. Certification schemes frame the problem in terms of negative environmental and social effects, while farmers frame it in terms of low income. What is meant

to be a sustainability tool, which consumers are assumed to prefer because of the environmental and social conditions of production, tends to become a marketing tool to increase the farmers' income when applied in the field. This does not necessarily mean that farmers do not value environmental or social aspects of their practices, but their preferences regarding certifications are primarily economically driven.

2. The different way of framing the problem is accompanied by a low understanding of certification on the part of the farmers. Many farmers do not recognize the differences between the schemes; they often know that they participate in a certification scheme, but not in which one. This can partly be explained by the fact that a certificate (in coffee) is in the hands of the exporter, who owns different certificates at the same time and provides similar training to all farmers, independent from the scheme they participate in.

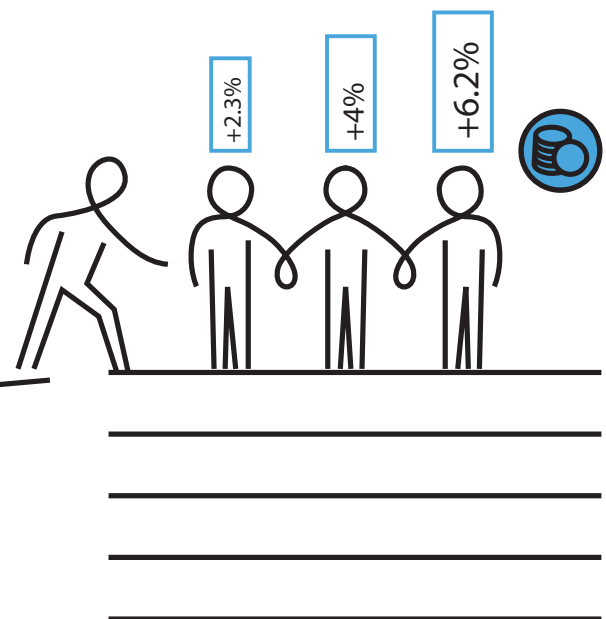
In the problem-driven approach, the values, and interests of smallholder farmers and their institutional context are put at centre stage.





Certified farmers perceive higher benefits than uncertified farmers

3. Those farmers who participate in a certification scheme generally receive only slightly higher prices for their harvest than uncertified farmers. In coffee this is approximately 2.3-6.2% per kilogram. In palm oil it is 4-5%. However, in both coffee and palm oil, certified farmers also have higher costs than uncertified farmers. Consequently differences in profits between certified and uncertified farmers are very small and, in the case of coffee, not even statistically significant. We also found that the higher prices paid for certified products do not so much result from certification, as from side effects of certification, such as better organization of the farmer groups and training in Good Agricultural Practices. Accordingly, the domestic market is willing to pay a higher price for good quality coffee.
4. The research shows that the economic rent resulting from certified coffee is relatively low for farmers. Roasters profit most as they receive around 95% of the additional price paid for certified Robusta and about 83% for Arabica coffee, while the farmers receive only 1.4% and 5.6% respectively.
5. The research also highlights the importance of a premium fee for maintaining the profitability of sustainability certification. However, in practice the farmers do not always receive a premium fee for their certified product.
6. For coffee smallholders and independent palm oil smallholders, it is hardly possible to participate in the certifications if they depend only on their own resources. Lack of capital keeps smallholder farmers dependent on middlemen to borrow cash to support their household needs. In turn, they must sell their commodities to middlemen at any price demanded.
7. Smallholders cannot directly access certification individually. To be able to participate, the individual farmers must organize themselves into farmer groups. The research shows that it is not easy to organize farmers and even more difficult to expect the new farmer organizations to provide adequate support services, such as data recording and other managerial functions. Many farmer groups are malfunctioning.
8. An interesting phenomenon is that governments from some developing countries are currently in the process of developing their own, public sustainability standards and certifications. Indonesia is leading in this respect. The Indonesian government developed its own, supposedly mandatory, sustainability standard and certification scheme for palm oil – Indonesian Sustainable Palm Oil (ISPO). The same kind of scheme



is proceeding for coffee and cocoa. However, our research shows that Indonesia currently lacks the implementation capacity to make the public standards a viable alternative to the private standards and regulations.

Global-North based standard-setting and certifying arrangements are important initiators of change

Benefits Beyond Partnerships

Impacts of the Research Project

The project has established that a value chain approach, as an inducement to more sustainable agricultural production, is insufficient to bring about the desired impacts of sustainable change and improvements in smallholder livelihood. A policy-driven approach may therefore be relevant, but not enough. The project further proposes

sustainable intensification and diversification of conventional agriculture and questions the long-term effects of the private system of sustainability standards and certifications.

Conclusion

The research shows that private global-North based standard-setting and certifying arrangements are important initiators of change in the field of trade in agricultural commodities, in that they create an awareness of sustainability aspects of the production of agricultural commodities. We have also learned from the certifications that there is still a large potential to improve the quality and quantity of production and therefore the earning capacity of the farmers. However, the findings also cast doubt on the sustainability standards and certifications, in particular their transformative capacity. The question arises as to whether voluntary certifications, even if further optimized, can ever be effective tools for bringing about systemic sustainable change that fundamentally improves the welfare of smallholders. Constraints relate to the economic opportunities for farmers under certification and the interconnected power relations in the value chains. Private certifications therefore need to reconsider their contribution to the general transformative capacity within their industries.