



fairer
than
fairtrade

95%
COCOA

GHANA
ORIGINAL ACT QUALITY

INGREDIENTS:

African Ethics, Social Justice,
Supply Chains, Value Addition

per 100g	per 100g
kcal 585	kcal 585
kJ 2430	kJ 2430

Fairer than Fairtrade

2019

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Nunya, adidoe, asi metunee o.

Wisdom is like a baobab (cocoa) tree; no one individual can embrace it.
- Akan proverb



What could make the West African cocoa sector fairer ?

Persisting issues urgently call for this question to be raised.

The aim of this report is to shed light on the potential and opportunities for the African Diaspora to contribute to a fairer cocoa supply chain in the context of Ghanaian and Dutch trade relationships. Based on Social Justice theory by **Nancy Fraser** and **African philosophies**, the concept of fairness is explored. Dilemmas that the African Diaspora could encounter in the cocoa sector are discussed. These dilemmas function as an orientation for future pathways in order to bring change towards a fairer cocoa sector.

First, let's talk some numbers

70%
of all cocoa beans come from West Africa



The beans mainly come from the **2,000,000** small-holder farmers in Ghana and the Ivory Coast

With an average farm size of **1-3ha**

A farmer earns **229€/ha**

for uncertified cocoa; making it a struggle for farm households to survive

cocoa is the most important driver for deforestation, covering **1.8 million** ha of land



Still, only **6%** of revenue goes to the farmer while **40%** remain at retail level

And where do these retailers get their cocoa from?

In 2014, Ghana was the world's largest producer of cocoa sold under Fairtrade terms, with a market share of **38%**



Sounds like quite a responsibility to me if we think about it...



The Netherlands is the main importer of cocoa, and **85%** of the beans come from West Africa.

Only **6%** of revenue goes to the farmer while **40%** remain at retail level.

Let that sink in.

Fair-trade initiatives have been around for decades. All these initiatives are based on Western perceptions of fairness. But the problems like low wages, deforestation, and many more still exist... Sounds like there are quite some problems to be solved. But, when is something fair?

Nancy Fraser, an American scholar, suggests that fairness as Social Justice can be understood along 3 dimensions:

1

DISTRIBUTION
the economic dimension: Who owns what?

2

REPRESENTATION
the political dimension: Who gets to decide over issues of distribution and recognition?

3

RECOGNITION
The cultural dimensions: Do people get to decide their way of life - e.g. how much communities modernize and transform traditional farming to meet the requirements of a global market?



Hold on.. Nancy Fraser? Isn't she another Western voice?

That's right! So how do African philosophers see fairness?



'I am, because we are; and since we are, therefore I am.'

When and how to judge an action as ethical? Ubuntu is more than only a moral theory concerned with infusing humane dispositions, it also embodies values, morals, and notions of traditional African 'communal justice'. In other words, Ubuntu is a worldview.

African philosophies show the need to an approach that reflects values and processes such as community, reciprocity and collective decision-making.

Understood!



So how can the African Diaspora make the cocoa sector fairer?

The Diaspora is well equipped, knowing the African as well as the European context. But where to start?

That sounds like a dilemma..
Let's go through some options.

First, **how** to go about fairness?

1 Change from within vs. 2 radically new certification: should African Diaspora strive to change standards within current systems or device their own?

01

Follow the established certification schemes and try to change them from within to make use of established procedures, networks, reach more farmers and increase representation and recognition, while risking a further dilution of standards through mainstreaming and lax implementation.

02

Establish new, producer-oriented, bottom-up certification standards and procedures recognizing African values and interests, while missing established operating frameworks and institutional structures and therefore risking failure and little impact.

Hm, okay! But **what** does this look like in practice?

1 Entrepreneur vs. 2 enabler: should African Diaspora collaborate with multinational corporations (MNCs) to relocate more processing steps to Ghana or encourage the emergence of African autonomous processing initiatives in the country?

01

Enter the existing cocoa value-chain as an entrepreneur by starting up a business, having direct but limited influence on a few farmers.

02

Become an enabler that allows members of the African Diaspora to share their knowledge, money and organizational power to fight for the rights of cocoa farmers, but having abstract influence on the entire system.

I see! So, **with whom** to collaborate?

1 MNCs vs. 2 African autonomous processing: Should African Diaspora collaborate with multinational corporations (MNCs) to relocate more processing steps to Ghana or encourage the emergence of African autonomous processing initiatives in the country?

01

Join forces with the 'big' chocolate companies to relocate processing steps to Ghana but risk limited improvements in the local conditions.

02

Create processing plants aside of multinationals in Ghana but face high investments and payments of EU import tariffs for processed cocoa.

The **how, what** and **with whom** questions will lead to several possible pathways for the African Diaspora **Whichever pathway they choose, there are three central recommendations**

1
Knowledge Transfer and gaps

African Diaspora can play a significant role in knowledge transfer due to their country-specific knowledge of culture, customs and languages from both the countries of origin as well as from the countries of residence. However, there should be decided on what knowledge to focus on and existing knowledge gaps should be acknowledged.



Therefore, we recommend to choose a specific field of influence that coincides with personal interests and skills. Next to that, it is advised to assign an Advisory Board on cocoa specific matters, this can fill existing knowledge-gaps.

2
Use unique position to build bridges

The African Diaspora find themselves in a unique position as they can fulfill a role between farmers and their communities, entrepreneurs in Ghana, and NGOs, governmental decision-making bodies and consumers in the Netherlands. However, a thorough study of previous endeavors is advised.



The African Diaspora has the potential to become a mediator and/or broker to facilitate suitable informed choices. However, to succeed, they should learn from previous endeavours that failed due to one-sided approaches, stakeholder exclusion or a thematic scope that was chosen too wide to target on the ground realities.

3
Limit your scope

One of the challenges for the African Diaspora is that their impact on the cocoa supply chain can be shaped in many ways (a new certification standard, bean-to-bar enterprises, capacity building workshops etc.). This is both an advantage, as it offers the possibility to decide how resources can be best allocated as a disadvantage, as decisions on where to focus on have to be made.

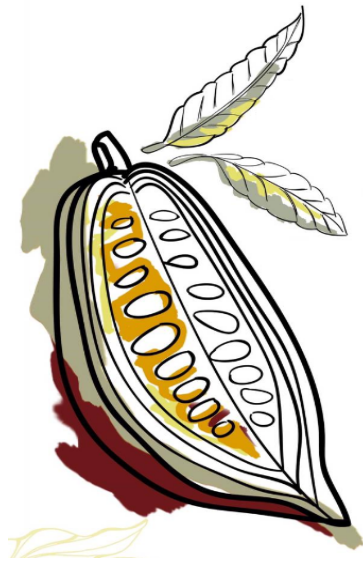


Whatever option you go for, choose a limited scope. Think of it as a 'one issue party' which can conquer the world by addressing the issues within the cocoa supply chain step by step.



Within the full report examples of all possible pathways are shown. We hope that these will serve as an inspiration and motivation to find the right way in which African Diaspora can engage in the cocoa supply chain.

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GLOSSARY

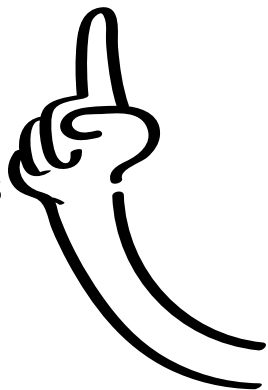
Fair trade	Trade that is fair
FT	Fairtrade Labeling Organization International (FLO)
Fair-trade	Certification scheme for fair trad; not FLO
GA	General Assembly
COO	Country of origin
MNC	Multinational cooperation
ABOCFA	Aponoapono Biakoye Organic Cocoa Farmers Association
AIM	Africa In Motion
VCC	Value Chain Collaboration
RA	Rainforest Alliance
MNC	Multinational corporation
COCOBOD	Ghana Cocoa Board
FGD	Focus Group Discussion
NGO	Non-Governmental Organization
AFFORD	Africa-Europe Diaspora Development Platform
SME	Small-Medium Enterprise

IMPORTANT POINTS!

Farmers / producers refers to farmers who produce crops, as well as to hired wage labourers on the farm.

Processors refers to cocoa processing companies.

Manufacturers refers to chocolate manufacturing companies.



FOCUS GROUP DISCUSSION PARTICIPANTS AND QUOTES



"We talk a lot about child labour but everyone in the industry knows that if we would push up the farm gate price child labour would be solved."



"[...] There is something wrong in the concept of what fairness means and how we have tried to solve this as a society."



"Chocolate from Africa, made in Africa, for Africans. I think that would be a great case to see how they [Diaspora] manage to become entrepreneurs within this industry."



"Fairtrade should become Share-trade."



"All these payments do not guarantee that your product will be sold as Fairtrade [...] I do not understand how all of this is fair."



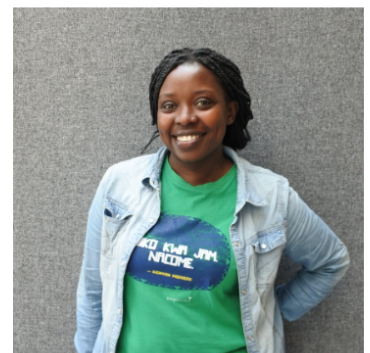
"Farmers should be co-owners."



"Policy is not favoring the export of processed goods."



"[...] it depends on what works best for the farmer. Because we [African Diaspora] have knowledge, but the farmer actually does the work."



INTRODUCTION

The report in your hands focuses on fairness in the Ghanaian cocoa sector. Transnational trading systems remain resistant to change. Although their failures in terms of Social Justice are known, the world keeps on filling its markets' shelves with dramatically unfairly traded products. West African countries are considered 'the cocoa garden of the world', supplying over 70% of all cocoa beans for European and North American chocolate consuming countries (figure 1). The Netherlands play an important role in the distribution of those cocoa beans, as they import 85% of their beans from West Africa. Those who are benefiting most from these trade relationships are the processors and consumers of chocolate, leaving the cocoa producing countries with little revenues while bearing the major burdens of production.

'Do you know about any vision or brand that represents fairness, produced in Africa?'

Current marketing initiatives are largely originated and remain within Western, neo-liberal rationales, while African approaches to fairness and related values lack representation and consideration in the transition within the cocoa sector (Moberg, 2014). You can ask yourself as chocolate consumer: 'Do you know about any vision or brand that represents fairness, produced in Africa?' The questions thus remain of what 'fair' means when it is defined by those that suffer the most but whose view is still largely unrepresented, and how could viable marketing alternatives following this understanding look like? And further, who can lay the bridge between the contrasting realities of taste for ethical chocolate in the Global North and thirst for justice in the Global South?

Harmful labour conditions such as child- and slave-labour still remain a widespread problem, while the intensification of production degrades soils, causes deforestation and poses major hazards to ecosystems (Ruf et al., 2015; Schroth et al., 2016). In the face of climate change, current production methods are unsuitable to sustainably satisfy the rising demand for cocoa (Rosin et al., 2013). Whereas cocoa is a profitable business for brands and processors overseas, local African populations bear the costs of production in terms of natural resources and labour.

As the demand for ethically-produced products in European markets increased, a growing variety of 'fair' and 'sustainable' certification schemes and labels emerged. However, whether and how such certifications can make a difference, remains controversial as the issues they claim to resolve in the cocoa industry continue to persist. Fairtrade International is one of the most prominent initiatives that aims to transform the governance of South-North supply chains towards more fairness (Dragusanu et al., 2014; Reynolds, 2009). The industry watchdog CocoaBarometer argues that "[s]ector-wide efforts to improve the lives of farmers, communities and the environment are having little impact; the scope of proposed solutions is not even in the ballpark of addressing the scope of the problem" (Fountain & Huetz-Adams, 2018, p.3).

85%
**of all cocoa
beans imported
by the
Netherlands
come from West
Africa**

70%
**of all cocoa
beans come
from West
Africa**



A fair and equitable relationship between West-Africa and Western countries around cocoa still needs to be realized. The Netherlands, as central global trade hub, acquired the position of 'world's biggest importer of cocoa beans'. It is today the second largest processor of cocoa beans and the second largest exporter of chocolate (CBS, 2016). Therefore, the country bears a great responsibility and influence when it comes to the conditions in the cocoa supply chain and fairer trade relationships.

It is suggested that the African Diaspora offer a wide range of resources such as experience, expertise and networks in both regions to become bridge builders between their countries of origin and the Netherlands. Nonetheless, their voices and views are still largely underrepresented in policy-making regarding the potential contribution and key position in being catalyst of equitable change between Africa and the Netherlands (Turner & Kleist, 2013).

Their transnational ties and knowledge, as well as acquired professional expertise, offers great opportunities to becoming an innovator for a fairer cocoa supply chain. Whereas questions can be raised about the sincere ambitions of the current big players in the cocoa sector to address the persisting issues, the African Diaspora is exploring possibilities and opportunities to engage in the sector to affect necessary changes.

Therefore, the leading research question within this project is:

‘What are the potentials and opportunities for the African Diaspora to contribute to a fairer cocoa supply chain in the context of Ghanaian and Dutch trade relationships?’

The contribution of this report is an exploration of the current state of the cocoa sector and the opportunities for the African Diaspora to get involved and make changes possible. Moreover, whereas previous research mainly focused on hegemonic discourses and practices, this research aims to also shed light on counter-hegemonic forces by diving into examples that show how things can be done differently.

In order to find cracks where changes could seep through, one should be well-informed about the current state of the sector. Therefore, this report starts with a context setting with a focus on Ghana, cocoa related trends and governance structures (Chapter 1). The concept of Social Justice will be discussed in Chapter 2. The methodology of the research will be discussed in Chapter 3, followed by the results and findings (Chapter 4). This report will end with a conclusion and discussion (Chapter 5), which aims at inspiring action for change.

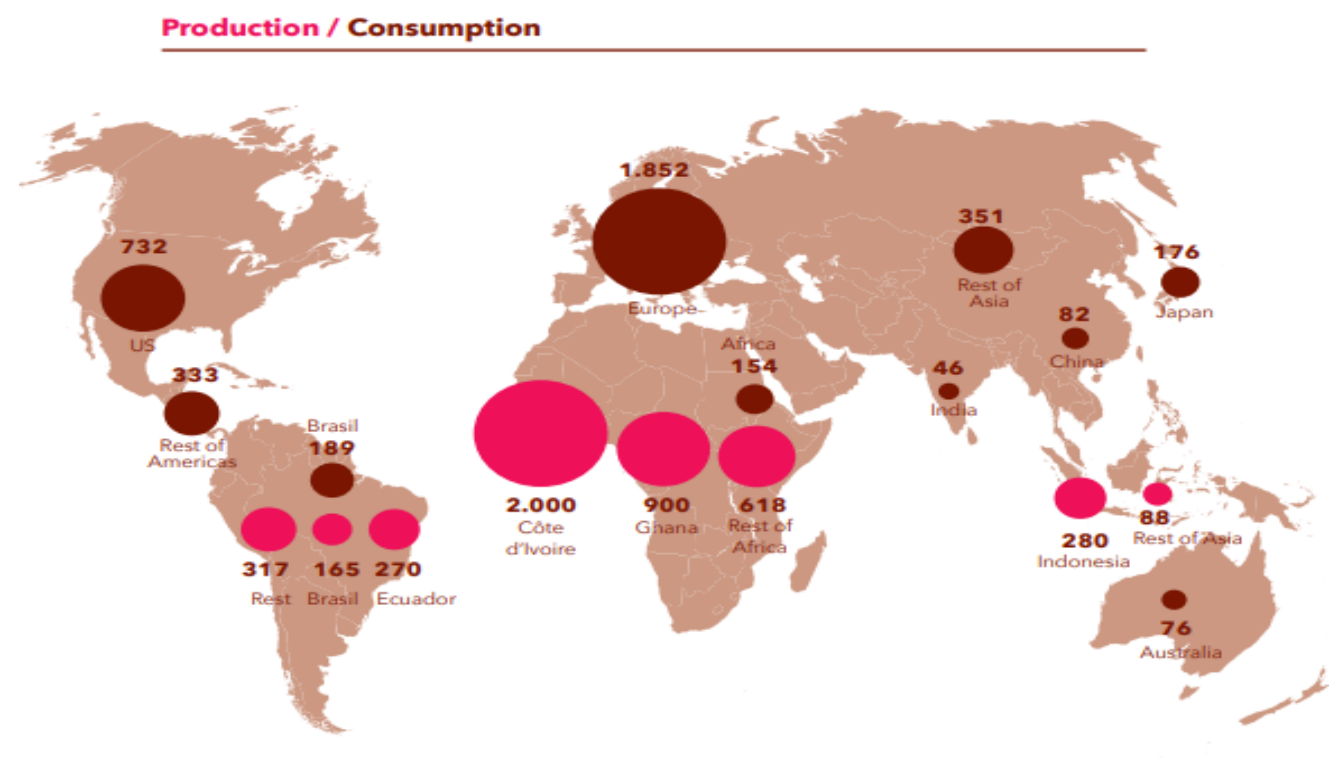


Figure 1: production and consumption of cocoa in 1,000 tonnes 2017/18
Source: ICCO 2016, table 2, 40

CONTEXT

The following part of the report provides background information on the cocoa sector in Ghana and the African Diaspora. It first describes the dominant steps and structures in farming, processing and trade of cocoa for chocolate production, including information on pricing and market developments. Further, the role and history of cocoa with regards to government regulation and certification schemes is discussed. This part is intended to equip the reader with an elementary orientation for engaging with issues in the cocoa supply chain.

SUPPLY CHAINS

COCOA

Cocoa supply chains: from cocoa bean to chocolate



Farmers grow, harvest and undertake the initial post-harvest activities, such as husking and fermentation of cocoa beans. Although these steps are crucial for the quality of the final chocolate product, they are often hardly financially compensated.

The raw cocoa beans leave West Africa after these first steps in large quantities. Following the first stage of production, the raw cocoa reaches Europe.



There, further processing takes place, such as winnowing, grinding and roasting. After being roasted, the beans are ground into cocoa mass. The Netherlands play a key role as one of the main importers of West African cocoa for grinding and further distribution throughout the continent (CBI, 2016). Some of the cocoa mass is pressed to produce cocoa butter and cocoa powder.

After processing the cocoa butter and powder into chocolate, retailers distribute the final product among consumers.



Stakeholders

Eight stakeholders are prominent to the cocoa supply chain: growers, buyers, processors, manufacturers, importers, distributors, retailers, and consumers (Cai et al., 2017). "Consolidation, mergers, and vertical integration have sometimes blurred the lines between steps in the supply chain, but all these processes occur" (Cai et al., 2017, p.60).

The 'Big Chocolate' Companies

The major processors and manufacturers supplying the European and North American market are multinational corporations with headquarters located in Europe and the U.S. They play a significant role in the cocoa sector: 60% and 80% of revenue of the global cocoa trade are in the hands of seven traders and grinders (Barry Callebaut, Cargill, Olam, Ecom, Touton, Blommer and Continaf). Further, Mars, Ferrero, Mondelez International and Hershey count to the 'Big Chocolate' companies- with Mars alone controlling a 14.4% share of the global chocolate market, making it the largest chocolate manufacturer in the world (Statista, 2016).

Retailers

The retail level plays a crucial role within the cocoa sector. Currently, farmers receive only 6.6% of the total revenue of a chocolate bar, while 40% remains at retail level (MCF, 2019). These skewed numbers reflect only one of the many problems throughout the supply chain. Retailers put significant pressure on chocolate manufacturers, trying to get the lowest prices. Additionally, more and more cocoa is sold as private brand of the big retailers whereby they become chocolate companies themselves. This can be seen as problematic since it contributes to an even higher concentration of the market power.

Governments

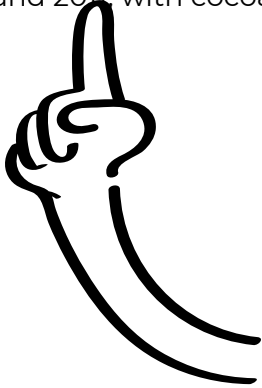
Governments, particularly in Ivory Coast and Ghana, are central actors in the cocoa market. The Government of Ghana requires that all beans are sold through its central marketplace, the so-called 'Ghana Cocoa Board' or COCOBOD. Through this governing body prices for both, cocoa farmers and buyers are regulated. Most cocoa producing countries are focused on exporting beans, rather than processing cocoa further or manufacturing it into chocolate due to tariff escalations from major importing countries. The EU has a bound tariff rate of 0% for cocoa beans but 7.7%, and 15% ad valorem duty on cocoa powder and chocolate crumb which contains cocoa butter (FAO, 2002). This leaves Ghana and local people working in the cocoa sector only with the 'undervalued' activity of producing the raw material.

SUPPLY CHAINS

COCOA

Cocoa Farming Systems in Ghana

Ghana and Ivory Coast are the two largest cocoa producing countries accounting for 70% of global cocoa production (ICCO, 2019). The majority, namely 95% of the global cocoa production, originates from smallholders, who work land plots of 1 to 3 hectares. In West Africa, cocoa is traditionally planted at random under thinned forest shade (Wessel & Quist-Wessel, 2015). It can therefore be described as a low input cultivation system which uses forest soil fertility and existing shade (Wessel & Quist-Wessel, 2015). Six million hectares of the West African forest zone are planted by this method of cocoa cultivation. Cocoa yields remain low because of high incidence impact of pests and diseases, lack of soil nutrients, as well as the use of extensive cultivation methods (Wessel & Quist-Wessel, 2015). Farms generally show low and decreasing productivity rates of 300–500 kg/ha, generating only little income for farm households (229€/ha, uncertified) (Fountain & Huetz-Adams, 2018). As a consequence of this low productivity rate, farmers who want to increase their cocoa output establish additional farm area in new forest zones, fostering deforestation. In Ghana, 80% of the total forest has been cut due to agricultural expansion for food, of which cocoa is the main crop. This covers approximately 1,8 million ha of land (Kroeger et al., 2017). The increase of farm area, including cocoa plantations, has led to a loss of rainforest at a pace of 2% per year during the last decades (Fountain & Huetz-Adams, 2018). The rate even accelerated to 6.1% between 2000 and 2011 with cocoa cultivation as significant cause.



The Ghana Cocoa Board (COCOBOD), is a centralized governmental entity that regulates and supervises all activities in the production of cocoa, coffee and shea nuts in the country. In the case of cocoa, storage and quality control are undertaken solely by COCOBOD and two related companies. After quality control, farmers can interact with Licenced Buyer Companies at so-called 'buying centres'. These Licenced Buyer Companies then in turn sell to the only exporter in Ghana, the COCOBOD (Ghana Cocoa Board, 2019).

COCOBOD provides local farmers and the cocoa sector seeds and technical assistance, as well as a farm input subsidy programme (FAO, 2013). Despite this support, COCOBOD is widely criticised for ineffective pricing mechanisms which prevent competition in the cocoa sector, as well as being accused of corruption and excessive bureaucracy. A World Bank report concludes that COCOBOD is more "focused on getting a better margin on exports, which increases government revenue in the short term but dents farmers' wages and investment" (Kpodo, 2017).

A short history of cocoa in Ghana

By 1911, the Gold Coast (Ivory Coast and Ghana) was the biggest supplier of cocoa. Manufacturers bought from European trading companies, which themselves relied heavily on local networks of brokers and sub-brokers to bring produce from the inland to the coastal trading centres. This trade turned the Gold Coast to one of the relatively more prosperous colonies. Nevertheless, being dependent on external markets for commodity sales and the import of equipment, further development was impeded. The cocoa boom during that time also affected the local economic and social structures. The local peasantry started to segregate into poorer and wealthier farmers and hired labour became more common. Also, the division of labour and gender relations within the local communities were affected, as foreign buyers and marketing boards favoured men in business interactions.

During the Great Depression in the 1930s, farmers tried to maintain prices by collectively holding back produce. This was first reciprocated by the British colonial government in 1937 by buying out the complete cocoa supply. The practice was cemented one year later with the establishment of the 'African Cocoa Control Board'. Ludlow describes the effect of this intervention as follows: "What was presented as a way of securing a reasonable price for farmers turned into a strategy for raising state revenue through buying low and selling high. While farmers were unable to negotiate prices, the big companies retained a strong influence over the Cocoa Board through quotas allocated by government, and John Cadbury was chair of the Board for some time" (Ludlow, 2012, p.10).

During the struggle for independence, around 1957, cocoa farmers tried to break the rule of the Control Board but did not succeed. During that period both investments into cocoa production and commodity prices stalled. Ivory Coast overtook Ghana as number one cocoa producer. While cocoa revenues remained essential for the Ghanaian economy, due to the highly competitive world market and global power dynamics, the cocoa sector in Ghana was further deteriorating.

FAIRTRADE AND OTHER CERTIFICATION INITIATIVES

In 1988, a Dutch development NGO named Solidaridad engaged in a partnership with an indigenous coffee cooperative in Mexico and created the 'Max Havelaar' label. Today, this label is known as Fairtrade International, or simply Fairtrade (FT). Starting as a niche in the coffee sector, today FT has expanded to many commodities, such as sugar, tea, bananas and cocoa. Over the years, the FT products have gained wide popularity among Western consumers, with sales reaching 8.4 billion euros in 2017 (Fairtrade International, 2017-2018).

This rising popularity was accompanied by an increase in the number of fair-trade initiatives operating in West Africa from the mid-2000s onwards (see timeline below). In 2014, Ghana was the world's largest producer of cocoa sold under FT terms with a market share of 38 % (Donovan et al. 2016).

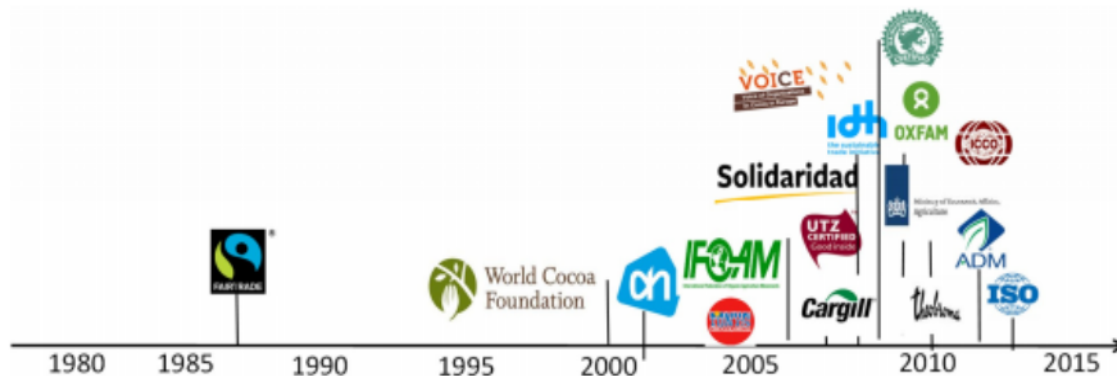


Figure 2: Timeline of cocoa initiatives operating in West Africa
Source: Ingram et al., 2018, p.3

Of these initiatives, UTZ (merged with Rainforest Alliance (RA) in 2017), FT (FLO) and Organic are the biggest certification schemes in terms of scope, scale and coverage of stakeholders within the cocoa supply chain (Ingram et al., 2018; Bymolt et al., 2018). If a farmer decides to participate in a scheme, usually a membership fee has to be paid and new production methods have to be adopted which comply with the standards defined by the certification body. The time a farmer has to adopt to the standards' requirements and the timing of audits vary from scheme to scheme.

The FT movement's central principle is to guarantee minimum commodity prices, preharvest payments to encourage small farmers and artisans to invest and ease seasonal economic pressure, the development of long-term trading relationships, and transparency supported by independent third-party certification (Jaffee, 2012). The four main criteria consist of payment of a firm floor or base price representing a 'fair wage' for smallholders, prepayment or credit for farmers in advance of the harvest to avoid indebtedness, an additional premium payment to be used for social development projects as well as long-term trading relationships with democratically organized producer cooperatives or associations (Jaffee, 2012). These principles and criteria are converted by the FT Labeling Organization (FLO) into a certification standard. In order to reach coherence among all European licensing initiatives, FLO was founded in 1997 in Bonn, Germany. Today, FLO is responsible for setting the international standards for all FT products (WFTO, 2019). An overview of these standards can be found in Appendix 1.

DUTCH AFRICAN DIASPORA

But how are these standards informed? African Diaspora can serve here as an interesting bridge between Western certification bodies and farmers in African countries. Of 670,000 members of the African Diaspora who are living in the Netherlands, many are pursuing higher education within their countries of residence and become active in Western society (CBS, 2019). Whereas the traditional view on migration of highly-educated people out of African countries was perceived as 'brain drain' for the countries of origin (COO) (Docquier, et al. 2007), this perspective can be challenged by the term 'brain circulation' (Saxenian, 2002). Brain circulation implies that migrants keep engaged with their COO in one way or another. The challenge, however, is to shape these types of engagements in which the Diaspora could get involved.

Definition of African Diaspora

The African Union defines the African Diaspora as "consisting of people of African origin living outside the African continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union" (Kheir, 2019). African Diaspora at a glance:

- **Bloodline and/ or heritage:** The Diaspora should consist of people living outside the continent whose ancestral roots or heritage are in Africa
- **Migration:** The Diaspora should be composed of people of African heritage, who migrated from or are living outside the continent. In this context, three trends of migration were identified- pre-slave trade, slave trade, and post-slave trade or modern migration
- **The principle of inclusiveness:** The definition must embrace both ancient and modern Diaspora; and
- **The commitment to the African cause:** The Diaspora should be people who are willing to be part of the continent (or the African family)



"The Diaspora knows from here and there. We know the feelings of the people [in our home countries], because we have been born there, and we know here, because we live here."

Strengths of the African Diaspora

The members of the African Diaspora are often well integrated within their countries of residence (Nanji, 2011), but keep fulfilling important roles within their COO by securing knowledge transfer and sending over 58 billion euros (World Bank, 2019) of remittances to their families (Gupta, et al., 2007). Because of this, the Diaspora contributes to a great extent to financially supporting African economies (Nanji, 2011) and play an important role in the reduction of poverty (Anyanwu & Erhijakpor, 2010). However, it is claimed, that the benefits from such remittances could still be increased (Anyanwu & Erhijakpor, 2010), for instance by lowering the 13-15% of fees for financial transactions, or by finding ways to turn remittances into investments that can increase long-term productivity (Bobeva, 2005). Moreover, the Diaspora might be more willing to take risks and invest in fragile economies than foreign investors (IFAD, 2019).

THEORETICAL BACKGROUND WHAT IS FAIR?

When discussing what 'fairer' trade relationships between producer and consumer countries could look like, we first need to become familiar with the concept as such and what it could mean. It becomes quickly apparent that fairness has a variety of definitions for different stakeholders, at different times, in different contexts. Current certification schemes, such as FLO, are largely based on Western perceptions of what fair trade should look like. As multiple shortcomings in the cocoa supply chain persist, the fairness question needs to be reevaluated. Based on Nancy Fraser's Social Justice theory, in this section, multiple ways of looking at fairness will be discussed. To counterbalance this once-again 'Western' angle, an exploration of African views on fairness and Social Justice will be introduced after.

FAIRNESS AND SOCIAL JUSTICE

The work of Nancy Fraser on Social Justice in the context of trade has been gaining relevance in the current discussion on hegemonic systems of trade between the 'Global North' and the 'Global South'. Although the topic has been under debate for a long time, small progress has been made and consumed products remain traded unfairly (Escobar, 2015; Jaffee, 2012; Renard, 2003). Fraser has developed a Social Justice theory that aims to firstly unmask the current hegemonic discourses in trade; and secondly, to provide a more systematic way to assess the relationships in this discourse.

Fraser (2005) defines Social Justice as 'parity of participation'. According to this definition, all adult members of a society must be in a position to interact with one another as peers. This means that social arrangements are required which allow all members to participate in social interactions as equal to one another. Obstacles to participatory parity comprise of economic structures that are denying actors the resources which are needed for this interaction. Further, institutionalized hierarchies can lead to status inequality and misrecognition. Fraser argues for a threefold analysis of justice along the dimensions of redistribution, recognition and representation (Fraser, 2005; Fraser, 2008).

DISTRIBUTION

Economic Dimension

Distribution is the most frequently used expression of equity. It demands a just distribution of resources, goods and conditions, among the actors in disparity, at different scales. Consider e.g. the rich and the poor, the owner and the worker, etc.). This dimension is often referred to in economic terms.

RECOGNITION

Cultural Dimension

Recognition advocates for the assumption of a multi-diverse world in which minorities would no longer be ruled by majorities or a dominant culture, but being recognized in equity of rights. However, imposed obstacles and attempts to redistributive reforms appear neither reasonable nor feasible, letting recognition arise as a constant claim in current times (Fraser, 1996; Fraser, 2010). Frequently, class injustice is intrinsically associated with the economic domain of redistribution, while identity claims are associated to the cultural spectrum of recognition. Commonly, the demand for recognition of neglected identities also involves the need for mechanisms that do not just visualize these groups, but also create opportunities within socio-economics structures to consolidate Social Justice. Therefore, Fraser highlights the identification of common points between redistribution and recognition as plausible and needed. At the same time, she makes clear that it is a wrong assumption that every maldistribution is rooted in a misrecognition or vice versa. Thus, the concept of justice requires a bivalent understanding of these concepts which allows their fulfillment without reducing one another (Fraser, 1996).

REPRESENTATION

Political Dimension

The third dimension of Social Justice by Fraser is representation. It is concerned with questions such as 'who gets to decide over issues of distribution and recognition? To what degree is it external actors (companies, government, NGOs) and to what degree is it the local community itself?'. According to Fraser (2005), just trade relationships do not merely address 'who' should be involved and 'what' needs to be redistributed, but particular attention needs to be paid to 'how' these processes are approached from a political viewpoint. Hence, neither solely the recognition dimension nor the distribution dimension alone can provide an adequate understanding of justice in a capitalist society. Within the political dimension, misframing results in the exclusion of some people from the chance to participate in authorized contests over justice.

"Neither solely the recognition dimension nor the distribution dimension alone can provide an adequate understanding of justice in a capitalist society."

FAIRNESS AND SOCIAL JUSTICE

Transnational trade and Social Justice

Injust conditions can be classified at different scales because they can imply different power structures through which justice is depleted. The most commonly considered scales are national, regional and global. Fraser (2010) explains that injustice often embeds the intersection of several of these scales, especially when it refers to transnational trade relationships. An outstanding case is the social exclusion of the Global South, from which disadvantageous conditions emerge from the three scales mentioned above. A clear example of the latter, is how small farmers (e.g. cocoa farmers) are introduced to exportation markets in which external buyers define the sales price based on demand and their maximum revenues, leaving no room for farmers to set a fair price. Here, farmers are constrained by the lack of financial resources and negotiation power at the national level and the resulting challenges to claim better trade conditions involving pressures of overlapping scales.

At this stage, the role of the African Diaspora calls for exploration as they can serve transnational publics in order to mobilize international opinion (Fraser, 2005; Fraser, 2007). African Diaspora, as ethnic minorities within their country of residence, often experience discrimination and exclusion in terms of social interaction and the policy-making process (Fraser, 2005; Fraser, 2010). This discrimination, creates status hierarchies and prevents the Diaspora from merging in the country they reside in (Fraser, 2010). Fraser (1996) suggests that the resolution of injustice often faced by Diaspora could be possible through distribution and recognition, specifically by distributing income, reorganizing the division of labour, democratizing the procedures by which investment decisions are made, or transforming other basic economic structures across social groups.

In this regard, the role of the African Diaspora could be seen as a potential bridge to societal transformation. However, their participation remains scattered and lacks clear coherence as has been identified and will be explored in the following section.



"We can discuss all other options, but from a world price of 2000 dollars a Peruvian or African farmer can not make a decent living. So the world market does not work for small farmers."

AFRICAN PHILOSOPHIES AND FAIRNESS

Philosophy creates systems of thinking and guides human relationships (Oyedola, 2016). Philosophy is therefore an inherent aspect to all societies in the world, both past and present. However, Western epistemologies dominate the academic discipline of philosophy since colonial times (Schepen & Graness, 2019). Non-Western philosophical thoughts are measured along Western 'criteria' to compare or to define their 'quality'. This results in an ongoing marginalization of African philosophy and African philosophers in this field, which could be described as epistemological injustice.

When striving for Social Justice, the diversity of epistemologies should be recognized, and their notions should be equally represented. As Renate Schepen and Anke Graness (2019) argue, "[i]ntercultural perspective is characterized by a sincere effort to recognise the equality of theoretical contributions from different regions and traditions of the world and integrate them into an open discourse on various theoretical issues" (p.1).

Ubuntu

A popular example for a specifically 'African' conception of fairness and ethics is 'Ubuntu'. The concept of Ubuntu can be found back in different African regions and dialects across Africa. Depending on the region it consists of different epistemologies but generally similar rationales on when to judge an action as ethical or not (Metz, 2007). Metz (2007) describes the central notion of Ubuntu as follows: "An action is right just insofar as it produces harmony and reduces discord; an act is wrong to the extent that it fails to develop community" (p.334). The central ontology behind this conception is that a human being 'exists' due to being part of a community. It contrasts René Descartes' liberal notion of human beings that is captured in his famous maxim 'I think, therefore I am'. The equivalent of Ubuntu would be: 'I am, because we are; and since we are, therefore I am'. It can be recognised that such an ontology also corresponds to classical European conception of human beings as it was understood by e.g. Aristotle. Here human beings are 'political animals', who can only survive and flourish as being part of a community first, and individuals second (Miller, 1998).

South-African philosopher Moeketsi Letseka (2014) addresses the need and potential of the integration of an African ethical tradition of Ubuntu as an African link towards John Rawls' 'justice as fairness'. Letseka (2014) argues that Rawls' " 'Justice as fairness' points to 'the moral powers' that people have, related to their 'capacity for a sense of justice' and 'for a conception of the good' " (p.544). Ubuntu is more than only a moral theory concerned with infusing humane dispositions, it also embodies values, morals, and notions of traditional African "communal justice" (Letseka, 2014, p.544). A discourse around fairness needs to incorporate the recognition of ethical epistemologies such as Ubuntu when aiming for Social Justice.



"You can't make a difference as an individual. You need a bigger group of Africans to make an impact."

Beyond Ubuntu

The need for such a recognition also becomes apparent when looking outside of the concept of Ubuntu. Ghanaian philosopher Kwame Gyekye (2010), the South-African Mogobe Ramose (2015), Moeketsi Letseka (2013), and many more, advocate for an approach that reflects values and processes such as community, reciprocity and collective decision-making. These pleas become essential when considering Fraser's approach to Social Justice. The presentation above shows the existence of a distinct nexus of ethics and ontologies independent of European traditions, which go along with distinct systems of governance and cultural values. Their existence must be foremost recognised, and authorities and constituencies accordingly represented, to enable an equitable relationship between producing and consuming countries. De Sousa Santos (2012) is a proponent of this epistemological diversity, as he argues that "...the theories produced in the Global North are best equipped to account for the social, political and cultural realities of the Global North and that in order to adequately account for the realities of the Global South other theories must be developed and anchored in other epistemologies" (p. 45).

Looking at the origins and current state of the fair trade movement, such a recognition and representation is not evident. Whereas the initial motivation behind Fair-trade initiatives was the realisation of 'fair' financial compensation and working conditions, the actual recognition of the notion of what 'fair' could actually mean for those who are directly affected and their representation in setting such standards was left largely unaddressed. Parity of participation, thus, still needs to be realized.

RESEARCH METHODS

For our research we used an iterative approach. This reflexive process allows to develop insights and meaning from qualitative research (Srivastava & Hopwood, 2009). The iterative approach was chosen to include as much input from African Diaspora as possible. In the course of the research, two focus group discussions (FDGs) were conducted. This deemed necessary since we aim to represent the perceptions of a group from which the researchers are no part of. This outsider position makes data gathering prone to biases introduced by the researchers, but if applied carefully offers at the same time an outside view. This outside view allows to initiate impartial discussions and new perspectives on the topic. To constantly improve and revise our knowledge on the African Diaspora's perceptions on fairness in cocoa value chains, we included five iteration rounds to test, triangulate and verify our results.

See appendix 2 for a chronological evolution of our dilemmas.

1

The first round consisted of a literature review. The review was comprised of articles found in the WUR databases, supplemented by additional material received from first external contacts. This review was used to operationalize fairness in value chains using Nancy Faser's approach to Social Justice and exploring points of access for the Diaspora. This first round of literature research resulted in four dilemmas visualizing the most controversial discussions in fairness in cocoa value chains. These four dilemmas built the basis for the second iterative step, and the subsequent FDGs and interviews.

As **the second round** and **the first iteration**, a FGD was organized with members of the African Diaspora at WUR. The goal of this FGD was to get a first insight into the African perspective on 'fairness' and applicability of the prior defined dilemmas. FDGs are useful to explore people's views grounded in their everyday experience (Macnaghten, 2017). Due to time constraints, the FGD had to be adapted to accommodate only three participants with a background in Kenya, Ghana and Nigeria. Resulting from the small number of participants, the two hour workshop was split into two parts.

The first part consisted of an in-depth interview on the cocoa supply chain in Ghana and perceived enablers and constraints of fairness. The second part was the FGD following an adapted version of the 'Six Thinking Hats' method (Brouwer et al., 2017). A FGD with multiple stakeholders has been chosen to not only inform content questions, but also to offer the unique possibility to observe group dynamics among participants. Following from this, the Six Thinking Hats method, as described by the MSP tool guide (Brouwer et al., 2017), enables multiple stakeholders to converge their ideas on a problem by looking at the same problem from six explicitly different perspectives. This additional dimension of information collection is crucial due to the limited time frame of the research, and hence opportunities to discuss in African Diaspora groups. The three participants represented in this context were a diverse sample of our target group, originating from three different countries as well as three different professional and academic backgrounds.

For the second half of the FGD, four types of thinking hats were defined, namely logical, cautious, creative and factual. These hats were then connected to our exploration of fairness perceptions of African Diaspora by translating the logical hat to internal strengths of the African Diaspora, the cautious hat to internal constraints, the creative hat to external enablers, and the factual hat to external limitations. This translation resulted in the following four questions:

- What makes you as African Diaspora especially able to address fairness in value chains?
- Which internal characteristics are limiting you to influence fairness in value chains?
- What is externally enabling African Diaspora to address fairness in value chains?
- What is externally constraining the influence of African Diaspora addressing fairness in cocoa value chains?

This part was followed by the introduction of four dilemmas and a collection of personal opinions on each of them. The output of this FGD was then used and triangulated with a literature review to refine the four dilemmas. Three adapted versions were formulated, whereas one dilemma was identified to be not evident enough to be considered on its own.

2

3

The third round was another FGD organized with professionals working on different parts in the cocoa supply chain. The goal was to inquire on this group's opinion on fairness, possibilities for African Diaspora to improve on fairness in the cocoa supply chain, and to collect opinions on the three redefined dilemmas. Of the eight participants, two were African Diaspora entrepreneurs, one was an employee at an African Diaspora organization, two were researchers at WUR, two media representatives of which one just started his own company in Ghana, and one social entrepreneur from the Netherlands. Whereas the first FGD was intended to discuss fairness by African Diaspora participants only, this second FGD was intended to deliver a representative overview of practical possibilities by using the experiences in the group.

The second FGD was scheduled for two hours and thematically split in two parts: The first part comprised of an introduction to build rapport, before Africa In Motion (AIM) introduced their work and strengths of African Diaspora that could be invested in to make cocoa supply chains fairer from their perspective. It was followed by an individual brainstorming on the term 'fairness' and the grouping of opinions according to Nancy Fraser's three subcategories of Social Justice: distribution, recognition, and representation. The second part of this FGD was a group discussion guided by the three dilemmas. For these dilemmas, participants were given two options to choose from and were asked to justify their choice. These explanations were then used to initiate discussions on possible points of entry for African Diaspora. The added value of this choice of mixed participants was to offer an opportunity for participants to consider future collaborations.

4

The third iteration of iteration comprised of a last update of found dilemmas according to data collected during the second FGD. This was again supplemented by intensive literature review.

The last iteration round consisted of incorporating the insights gained during an interactive presentation given to the commissioner and guests. 'Mentimeter' - an online tool, where statements can be created in advance and participants can 'vote' via an electronic device after subscribing through a code - was used to make the presentation interactive. Gained insights were incorporated in the final discussion and conclusion.

DILEMMAS

As main findings of our iteration process we identified three major dilemmas which stakeholders are potentially facing when attempting to realize Social Justice in the cocoa sector. The dilemmas are a direct product of our iterative research process of literature review, FGDs and interviews. The following part is a guide leading the reader through three dilemmas and accompanying tables.

DILEMMAS

A guide


- How ?** **Dilemma 1:** change from within vs. radically new certification. **How** to go about fairness? Should African Diaspora aim to change standards within current systems or devise their own?
- What?** **Dilemma 2:** entrepreneur vs. enabler. **What** does that mean in practice? Should African Diaspora focus on changing the lives of some or give a voice to the many?
- With whom?** **Dilemma 3:** MNCs processing in Ghana vs. African autonomous processing. **With whom** to collaborate? Should African Diaspora collaborate with multinational corporations (MNCs) to relocate more processing steps to Ghana or encourage the emergence of African autonomous processing initiatives in the country?

A guide: how to read the dilemmas

1. Each dilemma first consists of a description of the major issue at hand as they became evident during the research.
2. Each dilemma then presents two strategic options to deal with the identified issues. Each option discusses how to address the issues raised from a specific strategic angle and analyses its benefits and disadvantages.

Back to Nancy Fraser

In order to discuss the validity and implications for each of these strategies further, we return to Fraser's theory of Social Justice. Each option raises questions concerning Fraser's dimensions that constitute Social Justice - **distribution, recognition and representation** - while also pointing out possible shortcomings and disadvantages for each of these dimensions when one strategic option is pursued.



All three dilemmas address major issues in the cocoa sector and consist each of two alternative strategic options to increase Social Justice. Each option has different benefits and drawbacks. Whereas they might not be mutually exclusive in the overall struggle towards Social Justice, individual stakeholders might need to consider them when deciding on how to become active in the sector.

3. After having described and discussed an option, first suggestions are given on how African Diaspora can play a role in dealing with the issues raised. These suggestions do not necessarily resolve the dilemma but open preliminary perspectives on how to integrate the strengths of the African Diaspora in addressing issues of Social Justice in the cocoa sector.
4. The table provided in each dilemma gives an overview of the discussion.

DILEMMA 1

Change from within vs. radically new certification

Should African Diaspora strive to change standards within current systems or devise their own?

FT sales reached 8.4 billion euros in 2017 (Fairtrade International, 2018). FT enthusiasts refer to these increasing numbers as a proof for the success of the FT movement as it shows that consumers are actively seeking for more responsible and sustainable ways of consumption (Anderson, 2018; Wilson and Jackson, 2016). Even the big players of the chocolate industry are now starting to engage in fair-trade schemes and markets (Barrientos, 2011; Ingram et al., 2018).

8.400.000.000
euros in FT sales were
reached in 2017

Supposed advantages of the FT system are that it secures a decent income for farmers via a minimum price to decrease negative effects of a highly volatile commodity market, incentivises long-term trading agreements in order to reduce insecurity among producers, and a premium that is paid to finance social projects or to increase the quality of produce. This is supplemented by the requirement of and support in establishing organizational structures that are supposed to improve farmers' market position such as through producer cooperatives.

The claim of FT certification is to offer a fair alternative that fosters responsible and sustainable crop production. This 'fairness' relies on standards which regulate interactions among producers, trade partners and consumers. These standards are defined and monitored by the FLO. Yet current schemes still fail to deliver on their core propositions of providing fair compensation, improved labour conditions and the mitigation of slavery and child labour. The set standards and procedures do not prove themselves to be sufficient. Despite claiming to take small-holder farmers opinions into account, fair-trade organizations often act as a representative body for farmers. This happens in most cases without truly interacting with the farmers themselves on how they perceive current standards that are applied to them (FGD 2; Wilson & Jackson, 2016; McEwan et al., 2017). Therefore, despite the good intentions, it seems that farmers are mostly working for the FT system instead of with a mutually beneficial scheme that seeks for fairness from within (FGD 2; Wilson & Jackson, 2016).

Working for the FT system, without representation in the standard creation process, leaves farmers again with little bargaining power throughout the supply chain (Fountain & Huetz-Adams, 2018). It should be questioned that if a system is based on existing and predetermined Western values in which farmers and their communities are not represented, what the envisioned understanding of FT and other fair-trade systems is and whether this brings Social Justice (FGD 2).

In order to reach higher representation and therefore, Social Justice for the intended beneficiaries of certification systems, the process of standard setting and implementation needs to change. For this change, two strategic options can be considered:

Change from within

Follow the established certification schemes and try to change them from within to make use of established procedures, networks, reach more farmers and increase representation and recognition, while risking a further dilution of standards through mainstreaming and lax implementation.

01

Radically new certification

Establish new, producer-oriented, bottom-up certification standards and procedures recognizing African values and interests, while missing established operating frameworks and institutional structures and therefore risking failure and little impact.

02

01 Change from within

02 Radically new certification

DISTRIBUTION

+ Certification schemes reach many producers and therefore have the potential to improve terms and conditions for many

- Standards might dilute further current grievances could not be corrected; credibility and support decreases

ROLE OF DIASPORA

Diaspora can create awareness and advocate for redistribution of revenue to the local stakeholders

+ Scope, partners, constituency and fairness can be redefined and institutions redesigned to address all stakeholders

- High initial insecurity and capital needs and limited scale of impact in terms of market access as well as number of stakeholders reached

ROLE OF DIASPORA

Inform and establish new fair-trade partnerships on perceived financial shortcomings and necessities in producing countries, creating a bridge between the African and European market

RE- COGNITION

+ Better recognition and integration of farmers' interests in standards and institutions that can influence the whole industry

- Neglecting and marginalizing interests of groups with currently missing recognition, such as wage labourers and local communities

ROLE OF DIASPORA

Raising awareness and advocate for neglected groups and African concepts of governance, ownership and fairness

+ Integrate diverse African views of key stakeholders in basic set-up, include basic recognition from the beginning by starting with a stakeholder analysis

- Might still end up excluding views of some stakeholder groups and risk marginalisation of certain interests

ROLE OF DIASPORA

Informing basic set-up and accompanying application of standards as supervising board

RE- PRESENTATION

+ Weight of farmers might be increased in decision-making bodies

- Current institutional set-up and conflicting interests might impede effective change

ROLE OF DIASPORA

Diaspora can create awareness and advocate for redistribution of revenue to local stakeholders

+ Shared ownership of production process by all producing parties (decision-making power)

- If too many stakeholders influencing process, the process of realizing compromises and consent gets very slow, bureaucratic and inefficient

ROLE OF DIASPORA

Informing basic set-up and accompanying application of standards as representative body

OPTION 1

Change from within

Follow the established certification schemes and try to change them from within to make use of established procedures, networks, reach more farmers and increase representation and recognition, while risking a further dilution of standards through mainstreaming and lax implementation.

"For me, there would be no logical reason to create the wheel again, if the wheel is already there. We have certifications that are already there. Let's study it and see which gaps can be filled." (FGD2)



On the one hand, it can be recognised that the original objectives of FT were well-intended and focused on integrating and supporting farmers and workers (FGD2; Bacon 2010). On the other hand, it is also evident that the system today has many shortcomings when it comes to the recognition of needs and interests of their key constituency and the effective implementation of already defined standards. These things show themselves as e.g. in the stagnant development of minimum prices and premiums, insufficient and ineffective supervision of standards on the ground, cooperative structures that hinder participation and communication instead of facilitating it, and organisational and financial intransparency (FGD2; Bennett, 2015; Griffiths, 2012; Smith, 2014). Whereas issues may differ from case to case, it creates structural misrepresentation and misrecognition of farmers and other key stakeholders while also not delivering on its core promise of fair compensation (Bennett, 2015; Griffiths, 2012; Smith, 2014). These circumstances can and need to inspire critique but do not necessarily mean an end to FT, or as an informant put it: "Fairtrade was created the moment the regulated market was abolished at the end of the 80s. [...] Initially it worked and later on it diluted. But that is not a reason why not to go back to the original idea of Fairtrade and Fairtrade's original idea is pay farmers a decent income." (FGD2) What is evident is a need to return to focusing on the interests of small-holder producers and their communities and improve standards, monitoring capacities and -procedures that actually ensure their awareness and improve conditions on the ground.

One example of a possible gap that could be filled is to improve the representation of farmers in central decision-making bodies. During the last four decades, FT saw many institutional changes regarding their operative structures and decision-making processes. The improved representation of farmers in the main decision-making body of FT, the General Assembly (GA), in 2011 can serve as one example.

Improve the representation of farmers in central decision making bodies

Whereas farmers only held a minority of seats of the GA since the foundation of the scheme, the structural reform led to 50% of all seats being occupied by primary producers. This change was partly driven by a perceived need within FT for increased legitimacy of the system to consumers and internal pressure (Bennett 2015). The rationale was to return with FT to the farmers. It shows that the FT system can change towards a higher representation of their constituency as a way to potentially increase recognition and distribution. FT thus can be understood as a system that can react to internal and external pressures from its stakeholders, which also gives hope for reforming other aspects of the system as well.

Increasing recognition and representation within the system would mean to increase engagement and collaboration with and among local stakeholders. Missing equal exchange is partly due to a lack of transparency and communication around FT, markets and finances as well as missing resources and institutions enabling such processes. Also, the established cooperative structures and hierarchies hinder participation and transparency rather than facilitating it (FDG2; Bennett, 2015; Smith, 2014). To return FT to its original vision and effective implementation of its standards, it requires integrative solutions for these challenges. This includes local conditions and interests of farmers, but also of other stakeholders which are not a direct part of the scheme, since 'fair' eventually needs to include everyone in the supply chain (FGD2; McEwan et al., 2017). Bringing about such a reformation might take a long breath and be challenging but one can rely on already established networks and procedures. If successfully implemented, this could bring positive change on a large scale, affecting many individuals, and, potentially, influence the whole industry through leading by example.

A threat to such positive changes can be seen in the ongoing expansion and mainstreaming of FT including more producers and markets. Cooperating with bigger brands, such as Nestlé or Mars, and a focus away from small-holder farmers is seen as a step towards the wrong direction. Complying with the demands of such powerful players is risking the dilution of FT standards even more. Such a development on the other hand just signals the need for engagement and strengthening of the position of farmers in order to prevent a cooptation of institutions such as FT by commercial interests (Fridell et al., 2008; Jaffee, 2010).

Another disadvantage might be an implicit path-dependence to the structures and values that FT constitutes of today (Bennett, 2015). Existing interest groups and networks within the organisation might further impede necessary changes and make it difficult to address and resolve core issues within the system (FGD1; Fridell et al. 2008; McEwan et al. 2017). As a Diaspora informant put it: "If I want to build the capacity of people, it doesn't go that easy. Because in a company, in a cooperative farm, often the big boss will tell you you are here to improve the shareholders equity." It will need informed and coordinated stakeholder efforts and a convincing vision to bring about real reforms (FDG2, Interview 1).

Pathway towards change from within: ABOCFA cooperative

The ABOCFA cooperative was established in 2008 in Ghana and gained its organic certification in 2009. The FT certification followed in 2010. ABOCFA operates in 13 communities, with a total of 679 male farmers and 166 female farmers, which makes it a relatively small cooperative. Each year in July, the cooperative organises a general meeting in which three representatives of each community attend (Taza Chocolate, 2018).



Yearly members meeting of the ABOCFA
SOURCE: <https://tonyschocolonely.com/nl/nl/onze-missie/nieuws/tonys-fair-op-zn-ghanees>

ABOCFA is considered a small cooperative regarding its number of members (Binkowski, 2014). Small organizations are better able to pursue a transparent and flexible way of working. In this small-scale set-up, individual members have a greater influence on shaping the cooperative, as well as the functioning of the organization. Besides that, impacts of the provided services could be better tracked and monitored in smaller organizations. ABOCFCA can serve as a positive example of integrating and extending an existing scheme and by that, lead the way in the reformation of a well intended but underperforming certification scheme.

Main achievements

The success of this cooperative mainly consists of establishing sector-wide partnerships and transparent processes. This transparency includes democratic voting and working structures and a 'bean tracker' that allows the cooperative and business partners to track beans from the farm until export. This is a new development, since COCOBOD officially owns all beans after harvesting and makes tracking beans therefore legally difficult to apply. Nevertheless, ABOCFCA found a possibility to apply the bean tracker and therefore increases trust and cooperation in the cooperative as well as towards possible business partners.

The most important of these business partners up to date are Tony's Chocolonely, TAZA Chocolate, the International Cocoa Initiative and local schools (Last, 2018). Each of these business partners offers unique opportunities for the cooperative to learn or expand. With Tony's Chocolonely, they gained a reliable long-term buyer for their FT and organic certified produce. In addition to that, the cooperative is working towards a safer working environment through trainings provided by Tony's (Tony's Chocolonely, 2014). Through the cooperation with TAZA Chocolate, the cooperative expanded their reach from a mainly European market to the North American market. TAZA also adds more 'Quality Certification Services'. This certification guarantees independent quality control of the cooperative's beans. Both trading partners increase the price paid for cocoa beans on the free commodity market through an additional premium that is being paid independently of organic and FT premiums. Therefore, ABOCFCA did not only gain a partner in capacity-building and market access, but actively seeks at the same time for new ways to increase their members' income.



SOURCE: <https://www.tazachocolate.com/pages/2018-partner-report-abocfa>

Beyond more trade focussed partnerships, ABOCFCA also focuses on social development. This becomes visible through their cooperation with the International Cocoa Initiative. Through the partnership with this NGO, a special focus on child rights and the prevention of child labour is put in place. The choice of this non-profit organization as partner shows an awareness of challenges in the cooperative, a proactive stance to overcome those, and the holistic understanding that a successful business has to go beyond purely economic factors. This strong influence on the cooperative's success, also results in partnerships with local schools. In this cooperation, students and parents are being taught about age-appropriate farm activities in workshops. This intergenerational knowledge transfer and gathering is essential for a sustainable long-term perspective of the cooperative.

In 2014, a research was carried out on the impact of FT on the living standards comparing Ghanaian farmers who were part of the ABOCFCA or Kuapa Kokoo cooperatives, with farmers that were not FT certified (Binkowski, 2014).

According to this research, all respondents who were a member of ABOCFCA were content with the cooperative, especially because of the training sessions on cultivation techniques that were offered, the additional premiums from the sales and eased access to seedling machines in the form of discounts. These experienced benefits mainly derived from ABOCFCA's partnership with organic production and its associated cooperation with the NGO Agro Eco. Half of the research respondents took part in the three to four Annual General Meetings that are organised each year by ABOCFCA, which is approximately 200-300 people each year. The Annual General Meeting functions as the cooperative's main body, where the board is elected and decisions are made about how to use the FT premium. Next to the board, an external coordination and a field officer are responsible for the contact and communication with the farmers. This cooperative's structure seeks to pursue a proper representation of the farmer communities by including them in the decision making processes. As members of the cooperative receive trainings on organic farming techniques, their needs to increase their ability in order to pursue sustainable production methods are recognised.

Critical points

On the distribution side of the knowledge transfer to all farmers is still space for improvements, as the research points out that farmers who are situated further away from the central village were more often unable to attend trainings from partner organisations (Binkowski, 2014). Besides that, farmers were not always able to put the knowledge gained in training into practice. Perhaps, if farmers are continuously aided in the implementation process, this issue could be overcome, which could add up to the distribution of knowledge within the cooperative. Further, due to a hierarchical cooperative structures, farmers are often treated as employees rather than owners of the organization, of which a feeling of subordination to the authority arises. This difficulty could be due to cultural characteristics as well, such as a low sense of general citizenship that characterises Ghana (Binkowski, 2014). Improvements to property and governance structures can increase the representation of farmers within the cooperative, which would result in increased recognition of needs and improved distribution of means.

Role of the Diaspora

The African Diaspora can play a twofold role in this development: First, a potential enabler in increasing the awareness about the shortcomings of the system and generate external pressure to affect change from within. This can include engaging with other advocacy groups dealing on similar issues, such as labour conditions, policy-makers and even the general public (FGD2). Diaspora is able to become a direct collector and disseminator of the viewpoints of local stakeholders in Ghana to other groups, leveraging their advantages of familiarity with contexts and credibility in both their COO as well as in the Netherlands and Europe. "Knowing your audience. There is a way you approach if it is older farmers, younger farmers, male farmers, female farmers, different religions, tribes. [...] The trust is very different. It is very important in local communities." (FGD1).

Secondly, another aspect of the current situation is the lack of awareness among farmers about their rights regarding the FT system and cooperatives. Additionally, they only have inadequate information and capacities at their disposal to interact with the market and other actors in a way that would strengthen their individual and collective position (FGD2; Bacon, 2010; Smith, 2014). Here, Diaspora can play a crucial role: "[...] Transfer knowledge to local farmers. With this knowledge, the Diaspora could really be an actor of change there- in quick wins and long term" (FGD2). As brokers between two worlds they are equipped to create change towards a fairer cocoa sector.

1

Diaspora is able to become a direct collector and disseminator of the viewpoints of local stakeholders in Ghana

2

Diaspora could transfer knowledge to local farmers to increase their bargaining position

OPTION 2

Radically new certification

Establish new, producer-oriented, bottom-up certification schemes and standards recognizing African values and interests, while missing established operating frameworks and institutional structures and therefore risking failure and little impact.

“We need to think for ourselves on what is best for us and not [be] limited within this box [of current schemes]. So, how do you get these farmers to get out of that box and think broadly [...] on what is fair to them?”
(FGD2)

Stability and coherence allow FT to have a wide impact. However, certification schemes should not just follow a ‘one-size-fits-all’-approach if they want to be effective. As farmers of a specific crop within the supply chains are geographically dispersed, there are great political, social and ecological contextual differences. Different producer communities have different interpretations of ‘fairness’ and ‘equity’ (Berlan & Dolan, 2011). In other words, the assumption that a certain definition of ‘fairness’ is translatable into one set of standards and applicable into different geographical regions in the world is not likely. FT as it is today does not recognize this geo-cultural diversity. The actors who create the standards “have a more or less similar notion of what constitutes fair and ethical behavior” (Berlan & Dolan, 2011, p.6), while neglecting local realities (Bacon 2010). In order to be able to create a fair certification scheme that takes into account the local context, i.e. Ghanaian cocoa producers, new schemes should be created (McEwan et al. 2017). Moreover, certification should be a complement to trust, rather than a “proxy” of trust (Berlan & Dolan, 2011).

Shared ownership of the production process by all recognized producing parties could enhance a fair representation in the certification scheme (FGD2). As they all have power within decision-making processes, fair agreements should be guaranteed. However, if too many stakeholders are involved in decision-making, lengthy, bureaucratic and inefficient dynamics might complicate the partnership and impede development. As a result, decisions might need to be made which do not satisfy all stakeholders.

In this novel certification scheme, the distribution of all means should be ‘fair’ among all stakeholders. All the actors receive a fair share of added value. However, entering the current market with its anchored discourses, this new certification scheme might face high uncertainties regarding the success of the new practices and therefore higher risks. Uncertainty about obtaining the right market results in high financial insecurity. As the new certification scheme might find its position in niche markets, little money will be generated and only few cocoa farmers will be profiting of the standards. Therefore, influence is limited in scope. Another disadvantage might directly result from including more stakeholders. If too many stakeholders influence the process of standard setting in this new concept, the process of realizing compromises and consent will get very inefficient.

“The mark of a fair and ethical system, however, is not simply about the content of standards but how they are internalized and ‘practiced’ within different value chains” (Berlan & Dolan, 2011, p.6)”.

This implies that the relationship between the cooperating stakeholders within the cocoa supply chain should be built on a foundation of trust and relationality, such as dialogue, transparency and respect (FGD2). A short supply chain will increase ethical and relational coherence. According to Kelbessa (2015) relationality is “the main feature of African ethics” (p.396). He elaborates that the Ubuntu way of “[b]eing is already the ontological context of relationality” (p.394). This means that as individuals, Africans try to act in balance with the communal way of accordance. The ethical ideal is not achievable by an individual solely or by personal achievements only, as the self-realization is facilitated by the community an individual lives in or is related to (Kelbessa, 2015).

Pathway towards radically new certification: Fairafric

Fairafric is a company that produces chocolate 'Made in Ghana'. The company was founded in 2016 by a German entrepreneur travelling through West Africa. The initiative was entirely financed through a crowdfunding campaign on kickstarter gathering € 30.000 for its start-up. The Fairafric chocolate bars produced in Ghana are predominantly sold in Germany.

Main achievements

Fairafric clearly distances itself from FT, UTZ etc. by operating along its self-defined fairness scheme. The company highlights the need for an increasing income beyond farm and production level. They source and manufacture their cocoa from bean to bar in Ghana, which then is shipped to Europe. Through this mode of operation, they acknowledge the fact that right at the moment added value is only generated in processing. This discrepancy between the producing and processing steps can make up to 8000\$ difference in income per ton of cocoa (Fairafric, 2017).



SOURCE: <https://fairafric.com>

But Fairafric is convinced that this change in processing location has not only a huge impact on direct income of farmers working on cocoa farms. The idea is that locally placed processing is starting a domino effect creating more jobs in manufacturing. If small-holder farmers get the chance to supplement their income with a job in manufacturing, farmers and their immediate environment also have easier access to healthcare and education. The second challenge Fairafric discovered is a lack of trainings and capacity building opportunities. Because of that, Fairafric is investing in training women and capacity building on the processing level. By enriching the cocoa business by these two dimensions, Fairafric is striving for a more sustainable set-up of cocoa supply chains world wide.

Fairafric chose not to certify along the lines of UTZ or FT, but instead created their own set of standards to guarantee social and environmental quality in cocoa processing and chocolate production. FT and UTZ base the premium they pay to the farmers on the amount of unprocessed cocoa beans, whereas Fairafric stays connected to the producers throughout the whole supply chain. Therefore, they take this further step beyond mere premiums to sustainably change distribution of financial means in the supply chain.

In addition to that, high skilled jobs are created in Ghana as the production takes place in the country. This results in a shift of value addition to Ghana, which results in both an increase in income and representation through increased negotiation and bargaining power. The distribution of value and therefore financial means in this case is distributed in a just way, among all relevant stakeholders.

Critical points

Fairafric can be seen as an example for new certification schemes beyond FT. However, due to the European owners of the company, it can be argued that these standards are not 'made in Africa' or necessarily adhere to African values. The ownership, and thus final control, still remains with parties outside of the country of production. Although, the company works with improved working conditions and higher income it remains questionable whether the recognition local stakeholders and their ideas of what fairness entails are actually integrated in standards and procedures, since their representation is not formalized. Further, the chocolate is produced for the German market. It thus still maintains the producer-consumer divide among the two continents.

Role of Diaspora

This opens up an entry point for African Diaspora. This group, having a background in both African and European countries can have significant influence on knowledge transfer. Their role could be to inform and establish new fair-trade partnerships around perceived financial shortcomings and necessities in producing countries, creating a bridge between the African and European market to improve distribution of economic means. The second valuable addition in this context can be an advisory and supervisory role for the Diaspora informing the basic set-up and accompanying application of standards.

DILEMMA 2

Entrepreneur vs. Enabler

Should African Diaspora focus on changing the lives of some or give voice to the many?

Within the cocoa value chain the situation of small-holder farmers and their communities is of particular concern, as their position is undermined by better-integrated stakeholders such as traders, processors and manufacturers. As a result, farmers and their communities find themselves without much bargaining power, wherefore it is difficult to be recognized as an equal peer by others (Fountain & Huetz-Adams, 2018). As it is not likely that the current system will be changed by the industry itself, as they profit from current arrangements and 'do not have a role to pressure for social change' (FGD 2), other actors have to raise their voice. That is 'where the Diaspora should come in' (FGD 2). With their unique position in terms of language, cultural knowledge and network, the African Diaspora could exert influence; pressuring for more conciliation with actors at the higher end of the chain. But, where to begin?

As it is not likely that the current system will be changed by the industry itself, as they profit from current arrangements and 'do not have a role to pressure for social change' (FGD 2), other actors have to raise their voice.

01

Entrepreneur

Enter the existing cocoa value-chain as an entrepreneur by starting up a business, having direct but limited influence on a few farmers.

02

Enabler

Become an enabler that allows members of the African Diaspora to support farmers with knowledge, financial support and organizational power, but only having indirect influence on the system.

Within literature and practice it seems, that African Diaspora addresses these power relations in two manners; either by becoming an entrepreneur themselves, or by distancing themselves from existing chain arrangements but becoming an enabling actor as e.g. a non-governmental organization (NGO), focused on raising awareness on the day-to-day issues. This results in the following dilemma:

01 Entrepreneur

02 Enabler

DISTRI-BUTION

- + Increase competitiveness in the sector which could encourage innovation and youth entrepreneurship in producing countries
- Adding new actors in the supply chain causes diverted revenues. Access to finance remains a constraint for starting a new business

ROLE OF DIASPORA

Establish a business in partnerships with Dutch entrepreneurs who are trying to enter Africa or with Ghanaian entrepreneurs who are trying to expand their business

RE-COGNITION

- + Directly engage in collaborations with cocoa farmers during bargaining phase. This could support farmers who are trying to expand their business
- Limited direct influence in number and scope, general recognition of farmers is only increasing marginally

ROLE OF DIASPORA

Establishing a business and application of the concept of shared benefits with farmers to give them a direct voice

RE-PRESENTATION

- + Stimulate the innovation and the establishment of social capital across borders, along with directing political and financial capital towards the COO
- Limited influence in policy making and bureaucracy in COO (the price, taxes, and business establishment regulation)

ROLE OF DIASPORA

African Diaspora entrepreneurs could engage in collaborations with NGOs in COO to increase their representation in decision-making process

- + Contribute to organizing mutual investments in the cocoa sector, which enables access to credit and machinery to farmers, entrepreneurs and other agents of change
- Little influence on direct financial redistribution

ROLE OF DIASPORA

Contribute in promoting and channeling financial and other resources to enable investments in local projects

- + Support farmers by offering knowledge, training and organizational power. This can help farmers to be recognized as peers by other parties
- Diversity of identities might inhibit clear agenda setting and possible conflict on who and whose interests are recognized

ROLE OF DIASPORA

Provide specific knowledge needed on the topic of cocoa through opening 'cocoa' schools and training, campaigns to raise awareness about their rights and opportunities

- + Stronger voice of African farmers and communities with their supporters at the tables of the MNCs, policy makers and fair-trade schemes
- Possible dispersion of political pressure when struggle is not effectively organised losing outside recognition and support and opportunity for representation

ROLE OF DIASPORA

Establish or become part of lobby and activist networks and coordinate actions to increase representation in public and decision-making

OPTION 1

Entrepreneur

Enter the existing cocoa value-chain as an entrepreneur by starting up a business, having direct but limited influence on a few farmers.

"The moment you become [an] entrepreneur [...] you have [...] employment involved, but also empowerment awareness [...]. You put all in one basket the moment you are able to become an entrepreneur with a product that is produced in your own country and for your own people." (FGD 1)



One of the possible options for African Diaspora is to actively contribute to the existing cocoa supply chain as an entrepreneur, both, in the COO and in the country of residence. The Diaspora could establish new businesses, not only in the form of cocoa bean businesses, but also in the cocoa processing industry. However, the question of fairness still arises within this option. A challenge for the Diaspora is how to be able to compete with the existing actors in the supply chain. While the market is dominated by MNCs, small-scale entrepreneurs and farmers within the supply chain only get a small portion of revenue (Fountain & Huetz-Adams, 2018). Hence, adding new players to the supply chain could divert revenues even further. In the end, the unequal distribution remains unchanged or worsens.

In order to ensure the equal distribution of resources, the Diaspora should have the same access to markets as the bigger players (Fraser, 2010). In the case of market access, the Diaspora has sufficient information of both, sectoral issues and economic conditions in the COO as well as in the country of residence (Ojo et al., 2013). In contrast, the access to financial capital, as an important aspect for starting a business, still remains a constraint for the Diaspora (FGD 2, Wolff & Kuhn, 2015). The limited opportunities in access to finance in the home countries requires the Diaspora to look for alternative sources of funding. However, it is not easy to find an investment from outside. Diaspora, as a minority group, has difficulties in getting an investment in their host country despite their business plan being innovative.

Nevertheless, the role of African Diaspora as entrepreneurs has limited influence to improve the overall recognition of farmers (FGD 1). The Diaspora could only engage with specific farmers, do fair business with them and therefore enhance their individual livelihood. The supply chain would not change significantly towards fairness for all farmers in the region. Nonetheless, the initiatives could add a good example and encourage more fair practices in the future. In connection to that, the presence of African Diaspora as co-development agents can create links between home and host countries (Ojo et al., 2013). The existence of Diaspora entrepreneurs could stimulate the innovation and the establishment of social capital across borders, along with directing political and financial capital towards countries of origin (Newland & Tanaka, 2010). In practice however, the entrepreneurs have limited influence in policy and bureaucracy in their home countries. Business establishments are often tainted by corrupt authorities and taxation policy (FGD 2). In some cases, the authorities ask for a 'share' in exchange of business permits (FGD 2). In order to enable a better business environment, the initiative should be started from small entrepreneurs and farmers. However, they cannot work individually hence, collective action which consist of Diaspora entrepreneurs, Ghanaian entrepreneurs, and/or NGOs is needed to ensure a significant change.

Pathway towards becoming an entrepreneur

'57 Chocolate is a business venture located in Ghana that adds value to cocoa beans on a local scale. The brand name '57 is derived from the year 1957, the year of Ghana's independence. The business is founded by two sisters who state the following: "57 is about patriotism and empowering the youth to create something of their own. We aspire to bring manufacturing back to Ghana" ('57 Chocolate, 2019).



SOURCE: <http://www.57chocolategh.com/>.

With an academic background gained in the U.S. in International Development Studies, Kimberly and Priscilla Addison, understood the natural resource 'cocoa' as a way to capture more value in Ghana. The company mainly caters to local demand but is recently engaging in international shipping. Electricity shortages are named as a major obstacle to smooth production. As a company by Ghanaians for Ghanaians, '57 Chocolate is recognizing the importance of local cocoa for their high quality chocolate and is an example of representation of local actors in the value chain.

Main achievements

With their academic background gained in the U.S., the Addison sisters are a good example of how externally gained knowledge can be brought back to Ghana to address local challenges. With their business, the sisters contribute in terms of capacity building in the local community and among youth. In their understanding, experiences and knowledge need to be shared in order to empower a new generation of entrepreneurs. In order to do this, they put a special focus on speeches at seminars and/or conferences to engage and motivate youth and women who are interested in this business (Besse', 2019). This venture uses resources grown within the country to produce chocolate and challenges therefore the status quo that 'premium chocolate can only be made in Europe'.

Role of the Diaspora

The two founders of '57 chocolate provide a great example of how gained knowledge can be brought back to Ghana. African Diaspora have often studied abroad and were introduced to Western ideas of fair and sustainable practices while also possessing context specific cultural knowledge about Ghana. Diaspora has the unique strength here to build this bridge between the country where they obtained their education and their COO. This could be essential to establish innovative and fair new businesses.

Critical points

Not every member of Ghanaian Diaspora has the same privileges accessing the local cocoa sector. The two sisters soon realized that there is much more to know about the Ghanaian market and society than what they learned from growing up in the U.S., Senegal, France and Switzerland. Therefore, expecting them to represent Ghanaian society, although they have not been in the country for several years, seems questionable. This is showing in struggles, such as in representing Ghanaian farmers, as they did not speak the language in the beginning of their venture. Additionally, prices are not mentioned in the business concept of '57' chocolate. Which price the company is paying to farmers remains uncertain. This raises questions on how far local actors find recognition and which terms of fair distribution are addressed and effectively realized.

OPTION 2

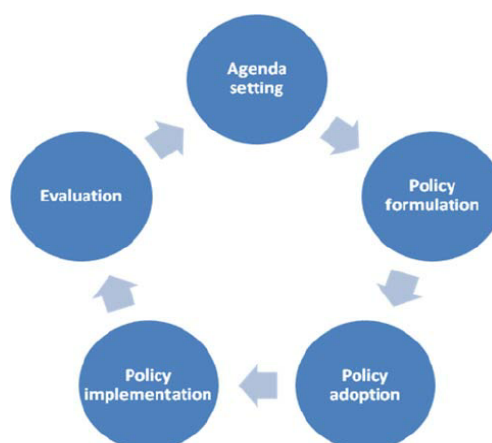
Enabler

Become an enabler that allows members of the African Diaspora to support farmers with knowledge, financial support and organizational power, but only having indirect influence on the system.

“I see the role of the Diaspora is to support the farmers to organise themselves. It is to empower the farmers to understand the market and how issues work out there. You as a farmer, being out in the garden, you don't understand about pricing, you don't understand about Nestlé- they don't even know where the cocoa goes. Nestlé is a big agglomeration, that you as a farmer are not able to stand in front of Nestlé and determine what prices you want. [...] When farmers have the power to organise themselves and to be able to determine what their price is and what is fair according to them, then that's the key! But how to get the farmers to organise themselves?” (FGD 2)

A true social movement does not start at the top, but is created at the bottom (Moyer, 1987). Current efforts by Diaspora organisations are aiming at higher political levels such as in partnerships with the FAO or the Dutch parliament in a Memorandum of Understanding.

However, often a real cooperation is not reached. One plausible reason for this is that such initiatives mainly focus on reaching representation on the highest political levels, without being able to prove strong public foundation. While influencing policy can be an end goal, it needs to be supported by a coordinated movement of stakeholders. It suggests that besides focusing on schemes and policies directly, another way to affect change within the cocoa sector is the empowerment of stakeholders on the ground in pursuing their own set objectives. The lack of information, resources, capacities and coordination of local supporting stakeholders to collectively achieve the realisation of Social Justice was a reoccurring theme during the FGDs. African Diaspora's influence in this circle of policy-making can be visualized in figure 2.



SOURCE: Based on Figure 20.1 in Knill and Tolsun (2008)
FIGURE:2

‘[This option] is perhaps even more important because there is a lot to do and a lot that can be achieved within arms length’ (FGD 2) is therefore an interesting remark, as it fits the general perception on how policies could be changed; via organizing the voices of the people (Moyer, 1987). Stakeholders such as the Diaspora as well as farmers, local communities, entrepreneurs and activists have much to win from a better coordination. Organising mutual investments in the cocoa sector, which enables access to credit and machinery to farmers, entrepreneurs and other agents of change can immensely improve the propensity for action. A similar effect has training and knowledge transfer on vocational skills, as well as raised awareness for farmers rights and opportunities. This leads to an increased action potential of stakeholders in order to pursue recognition and representation in diverse occasions. This includes e.g. the marketplace, private and governmental decision-making bodies, as well as their local cooperatives and the fair-trade schemes that they are engaging with.

Whereas benefits are plentiful, several drawbacks might be encountered when focusing on the enabling of stakeholders. The impact of enabling efforts might remain rather indirect regarding the benefits for farmers such as changes in prices. The need for inclusiveness in organising a powerful social movement might inhibit clear agenda setting and action, since several identities and interests want to be recognized and represented. This leads to a possible political dispersion and loss of focus of content resulting in ineffectively invested efforts and organized support, and therefore external recognition and representation.

Pathway towards becoming an enabler: AFFORD

African Diaspora has various opportunities to contribute in the development of their COO as enablers based on their knowledge and expertise. One of the examples of African Diaspora organisations is the African Foundation for Development (AFFORD). This organisation was established in 1994, including a program called 'Diaspora Finance Initiative' that focused on facilitating financial investment from UK-based Diaspora to support small-medium enterprises (SMEs) and business developments of Diaspora entrepreneurs. Their aim is to stimulate Diaspora investment to contribute to job creation and enhance Africa's economy. This program supports African Diaspora entrepreneurs to address the following challenges i.e., access to capital and the high cost of borrowing, information on scarcity of local markets, limited business support in transnational investments, and lack of structured or diverse investment products. In order to have a wide influence they did not only focus on financial support, but developed various bodies focussing on specific aspects of development. An example is the All Party Parliamentary Group on Diaspora, Development and Migration (APPG DDM) that was created to specifically address policy matters, to "promote parliamentary and public understanding of the key issues affecting Diaspora communities in the UK, and to expand and enhance their contributions to the international development agenda" (AFFORD, 2019). Another example of reorganization according to topics are local partnerships e.g. with ENTRAIDE (Mutual Aid) & Partners. In this specific project the supported Diaspora for African Development financially in order to facilitate collaboration with bigger international corporations. Through this increased collaboration between African individuals and organisations, AFFORD is promoting progressive and informed debates engaging decision-makers, enhancing understanding and recognition amongst policy-makers of the role the African Diaspora can play in Africa's Agriculture and Food Security (AFFORD, 2019).

Main achievements

According to the AFFORD report from 2018, they support up to date 20 Diaspora businesses in Nigeria, Rwanda, Sierra Leone and Zimbabwe, and created 75 jobs and support additionally 125 self-employed/entrepreneur through different fund schemes (AFFORD, 2018). For example, their two main projects RemitAid™ and RemitPlus™ have been developed 'to transform Diaspora and migrant remittances into a sustainable form of international development finance'. This is especially beneficial, because they actively contribute to knowledge sharing by providing training, internships/volunteering opportunities, and research. Beyond this, they created a platform for Diaspora to engage in global policy making on international development by taking part in an international conferences e.g. the G7 Summit, UN Global Compact on Migration (GCM), and 2017 Global Forum on Migration and Development (GFMD). AFFORD and other NGOs founded by African Diaspora contribute in the development of their COO by enabling African entrepreneurs.

Critical points

The critiques for AFFORD are that they are operating on a very broad range, focusing on many target countries and topics of investment at the same time. This might lead to a loss of focus and a diminished understanding of priorities in operations. We acknowledge, that much is already done by AFFORD and really good incentives started. However, coming from the angle of cocoa, we also see an increased necessity to focus more on agricultural, technical and financial support in the cocoa sector specifically.

Role of the Diaspora

In theory, the Dutch African Diaspora has all the ingredients to succeed as a successful social movement (Fraser, 2017). First of all, the Dutch African Diaspora are with more than 300,000 people in the Netherlands' (FGD 2) which does not only offer a possible source for public support on the issue of inequality within the cocoa supply chain (recognition), but could also enable them to finance the envisioned change (distribution). However, to make sure that they do not become 'one of the many' (Interview 1), which will undermine their bargaining position on the higher political levels in the end (representation), they have to ensure that they align their communication to one issue and one issue only.

"We are 300 000 people in the Netherlands, if everybody pays 1 Euro a month, we could have an investment fund that could do more in Africa." (FGD2)

The unique position of Diaspora is strengthened by the fact that they bring human capital, knowledge and skills to the table as well. These resources and technical capacities from nationals living abroad can be used for better indigenization and averting resistance as 'foreign is often, unfortunately, seen as better.' (FGD 2).

DILEMMA 3

MNCs vs. African autonomous processing

Should African Diaspora collaborate with multinational corporations (MNCs) to relocate more processing steps to Ghana or encourage the emergence of African autonomous processing initiatives in the country?

FT cocoa sells for higher prices which yield the farmers slightly higher incomes but does not enough to change the immensely unbalanced allocation of income throughout the cocoa supply chain. Only about 6% of the revenue of a chocolate bar reaches the farmer's household, while up to 40% remains at the retail level (MCF, 2019). Mars, Nestlé and Ferrero count to the biggest cocoa manufacturers and retailers globally. They exert significant influence in the global cocoa markets and value addition along the supply chain (Fountain & Huetz-Adams, 2018).

6%

of the revenue of a chocolate bar reaches the farmer's household

When speaking about 'value addition', it is usually referred to processing steps from grinding until selling the final chocolate bar. The relocation of 'added value' to farm level is frequently claimed as a solution to increase the benefit of farmers in the chain. However, there are multiple obstacles one encounters when exploring possibilities to relocate processing steps to Ghana. Another approach to 'value addition' can be the acknowledgement of the importance of the steps undertaken by the farmer. These steps include growing the crop, harvesting and post-harvest processing (fermentation, drying and storage), and are crucial for the taste of the bean. Unfortunately, these steps are rarely compensated financially to date.

If the large chocolate companies were to relocate their processing activities, it is still questionable whether the revenues would divert more equally along the chain and reach farmers and their communities in a fairer manner than in the current situation. Setting up processing steps aside of multinational corporations raises concerns of another kind. It is essential to note that EU import tariffs are significantly higher for processed cocoa in comparison to beans. Selling chocolate bars instead of raw beans involves large local investments in machinery next to the payment of higher tariffs. Additionally, in Ghana chocolate is a luxury good for which the local market is particularly small.

MNCs' processing in Ghana

01

Join forces with the 'big' chocolate companies to relocate processing steps to Ghana but risk limited improvements in the local conditions.

African autonomous processing

02

Create processing plants aside of multinationals in Ghana but face high investments and payments of EU import tariffs for processed cocoa.

DISTRI- BUTION

01 MNCs' processing in Ghana

+ Processing in Ghana creates employment opportunities and leaves the investment and risk to large MNCs

- Benefits largely remain with MNCs instead of being 'fairly' distributed throughout the supply chain

ROLE OF DIASPORA

Buy shares of MNCs and mobilize financial resources

RE- COGNITI ON

+ Large companies would adhere to Fairtrade, UTZ and RA standard

+ Recognition of Ghanaian labour in value addition to cocoa

- Farmers remain unrecognized as large contributors to the taste of chocolate and are not valued for their processing

ROLE OF DIASPORA

Advocate for a change in perception of value addition steps (on-farm processes) within MNCs

RE- PRESENT ATION

+ Farmers' organisations in West Africa are often based on Western structures, building a foundation for collaboration with the corporations

- Farmers are not involved in decision-making concerning pricing as of now, it remains questionable whether this would change

ROLE OF DIASPORA

Engage in advanced value chain collaboration as intermediaries and brokers of knowledge

02 African autonomous processing

+ Stimulate the growth of local processing industries in Ghana that allow the capture of more added value to the cocoa sector at upper levels of the value chain

- Face higher import tariffs from Europe meant to discourage selling processed cocoa and compete with big companies and retailers who benefit enormously from intermediate and non-existing national markets

ROLE OF DIASPORA

Facilitate know-how transference from the West to African countries. For instance supporting the Ghanaian Government programme "One District One Factory"

+ Increase the importance of post-harvesting processes undertaken by farmers such as fermentation, drying, and storage in monetary terms

- Face misrecognition from buyers who will not accept these terms

ROLE OF DIASPORA

Awareness campaigns in Europe and Africa about the quality of African cacao and the importance of post-harvesting for high quality cocoa

+ The increase of local processing companies in Ghana give opportunity to a higher participation of Ghanaian people and a closer relationship with farmers

- Bureaucracy and lack of experience can be challenging for emerging associations, cooperatives, industries, etc.

ROLE OF DIASPORA

Collaborate with policy makers in Ghana to create policies that support new initiatives. For example reducing taxes for the processing industries

OPTION 1

MNCs' processing in Ghana

Join forces with the 'big chocolate' companies to relocate processing to Ghana but risk limited improvements of the local condition.

If the large chocolate companies were to relocate their processing steps, it is still questionable whether the revenues would divert more equally along the chain and reach farmers and their communities in a fairer manner than in the current situation. Setting up processing steps together with multinational corporations raises concerns of another kind. It is essential to note that EU import tariffs are significantly higher for processed cocoa in comparison to beans. Selling chocolate bars instead of raw beans involves large local investments in machinery next to the payment of higher tariffs. Additionally, in Ghana chocolate is a luxury good for which the local market share is particularly low.

MNCs are generally seen as self-interested entities aiming for profit-maximization (Baron, 2001; Thorlakson, 2018). In FGD 2, this point was supported by a participant stating: "How do you approach Nestlé, because in the market most companies are not people focused, most companies are there to make money." In 2000, Nestlé stated in their Environmental Report: "Nestlé does not produce raw materials, nor does it own or operate farms [...]. As a result, the Company's influence on agricultural uses of water is somewhat indirect" (p. 42). This is implying that the company is not responsible for issues arising at the farm level. However, in the almost 20 years that have passed since then, this approach has changed drastically throughout the 'Big Chocolate' companies. Beginning 2008, cocoa sustainability programs have been developed such as the Mars' iMPACT program, and Hershey's mobile phone-based extension service (Thorlakson, 2018). In 2019, most companies are certified according to Fairtrade, UTZ or RA standards, or have created their own certification programs to address sustainability in their cocoa supply chain. For example, Lindt developed a sustainability standard and Nestlé uses third-party certification as a part of their Nestlé Cocoa Plan for certain brands (Thorlakson, 2018).

**Four trading firms (Barry
Callebaut, Cargill, Olam,
Ecom) control**

60%

of all cocoa.



SOURCE: <https://www.artkillingapathy.com/no-tpp-no-trump-people-planet-profit/fair-trade-not-free-trade-copy-small/>

Due to the pressure of civil society organizations, MNCs have moved away from seeking profits solely to an increased focus on fair trade. The relocation of processing steps to Ghana by MNCs is expected to create local employment with regulated and controlled labour conditions. Higher income levels within communities can therefore trigger the local economy and benefit local actors in the cocoa sector. Hence, positive outcomes concerning distribution can be anticipated, however, it remains questionable whether these make relationships more equitable.

Collaborating with Nestlé, Mars and other big chocolate companies does, due to the current set-up, not favour the position of farmers and local actors as equal partners. By relocating processing steps to Ghana in collaboration with large MNCs, a risk is that these power dynamics are maintained, keeping farmers outside of the decision-making arena.

In this scenario, large percentages of the profits remain with MNCs, reinforcing existing elites and therefore not bringing change to the unbalanced allocation of resources throughout the cocoa supply chain. In this regard, Fraser describes MNCs as being shielded from the reach of justice in a globalizing world. This creates a playing field with unfair starting positions. Further, the issue of recognition of farmers in value addition arises in Option 1. Farmers remain unrecognized in the on-farm processing steps. They are denied the chance to press their claims for fair prices and, as Fraser (2005) states, aspects of justice are put beyond their reach. Participants in FGD 2 were concerned with the "power right now not [being] with the farmers, hence, in the processing it won't be either." An enabler for collaboration between farmer cooperatives and MNCs is the set up of West African cocoa cooperatives which is often based on Western structures. FGD 2 revealed that concerns exist that these structures are simply maintained to keep profiting the big conglomerations. Finally, organisation in cooperatives increases bargaining power and decision-making processes, however, raises questions of fair representation of local actors.

Pathway towards MNCs processing steps in Ghana: Cadbury Nigeria/ Mondelez International

The origins of Cadbury Nigeria Plc. date back to the 1950s when the business was founded to source cocoa beans from Nigeria, and is part of the 'big chocolate' company Mondelez International. In 1965, a processing plant was established in Ikeja, north of Lagos. Cadbury Nigeria has 2300 employees and has recorded a revenue of about N24.3 billion in 2008 (IDE, 2019). The company manufactures and sells goods to the Nigerian market and further exports to West Africa. The 'Vision into Action' business plan, a strategy for 2008-2011, set out **growth** as a main priority which is represented by the mantra-'Fewer, Faster, Bigger, Better'. The company is the market leader in sugar confectionery, gum and food beverages in Nigeria, with an overall market share of 58%. Cadbury Nigeria produces intermediate products, such as cocoa butter, liquor, cake and powder. The company operates through two segments, Confectionery and Food Drinks, and Intermediate Cocoa Products. Cadbury Nigeria is a member company of Cadbury Schweppes Plc, a major player in the global confectionery and beverages markets.

Main achievements

Mondelez International has partnered with FT in the cocoa life program in order to drive greater scale and impact for cocoa farmers and their communities.

Critical points

Cadbury Nigeria states in their 'Vision into Action' plan: **We recognise that it is not enough to grow faster: we must also be more profitable (...)** Our efficiency target is encapsulated in the ambition to improve our underlying operating profit margins from around 10% in 2007 to mid-teens by 2011 through: realise price and optimise customer investment; reduce SG&A cost base; and deliver supply chain cost reduction and reconfiguration initiatives (IDE, 2019). With this statement, the idea that a collaboration with a MNC such as Mondelez International could contribute to a fairer cocoa sector in Ghana is moving into the far distant future. Following the trend of corporations, which operate on values such as cost reduction and profitability fairness does not appear as a main target for Mondelez International while aiming for supply cost reduction.

Role of the Diaspora

Following Option 1, several entry points for African Diaspora to support farmers in their representation within MNCs can be suggested. As they have experiences of "two worlds" (FGD 2) they have the knowledge to broker between the different interests and can help to strengthen the position of farmers in this context. Further, results from FGD 2 suggested buying shares of MNCs to distribute the financial benefits. The Diaspora could mobilize funds for, and facilitate such acquisitions.

Further, advanced value chain collaboration (VCC) could be an opportunity for African Diaspora to become involved in making value addition in collaboration with MNCs fairer. VCCs are driven by corporate social responsibility and based on creating shared values motives, in order to enhance a company's competitiveness as well as farmers' economic and social situation (Porter & Kramer 2011; Kissinger et al. 2013). Examples of such partnerships between international cocoa traders and processing companies with one or two licensed buying companies are Cargill-Akuafo Adamfo, ToutonProduce Buying Company and Kokoopa-Noble Resources which involved farmers in the buying companies (Deans et al., 2018).

VCC partnerships often focus on training in agricultural practices and certification standards, help strengthening farmer groups, providing credit to farmers to enable them to invest in their farms, to intensify or diversify, reducing emissions from deforestation and forest degradation while enhancing carbon stocks (REDD+), or promoting climate-smart landscapes (Deans et al. 2018). Of particular importance within this type of partnership is regular interaction with farmers. The offered training is not revolutionary and has been applied for some time, however, farmer's roles as purchasing clerks, or brokers of knowledge and inputs is newly highlighted. It is here, where the Diaspora could step in to apply their cultural knowledge and communication skills if, despite many critical points, a collaboration with a MNC should be decided upon as a desirable pathway.

OPTION 2

Africa autonomous processing

Create autonomous processing plants in Ghana aside of MNCs but require high investments and face high payments of EU import tariffs for processed cocoa.

"There is no place in Ghana where a Ghanaian can learn how to make cocoa. No one in whole Africa. There is no school for it. So people don't know what is happening with cocoa. (FGD 2)



The cocoa market power is highly concentrated on a few big MNCs based in Western countries. With the bulk of processing staying in Europe, African countries mainly export raw materials with little added value. This translates to minor benefits, even though African countries are responsible for up to 70% of worldwide raw materials. In contrast with the multimillionaire industry of chocolate, cocoa farmers remain with scarce revenues that barely allow their survival. However, the world demand does not cease and more pressure has been put on producer countries to increase yields. Noticeable, the traditional cocoa trading systems have failed in making the distribution of their benefits fairer among the actors in the supply chain, leaving farmers and producing countries as simple source of extractable resources.

With up to 40%, retailers retain a big portion of the added value while industries that bulk, grind and primarily process the cocoa into liquor, butter or powder, keep up to 30% of revenue (MCF, 2019). It does not come as a surprise that processors, manufacturers and retailers of African cocoa based in Europe, are not keen to move their businesses to Africa. Therefore, the need of actions coming from Africans to reverse this unjust distribution are urgent, but initiatives coming from the continent are rare.

Next to the lack in facilities, a remarkable constraint of autonomous processing initiatives is represented by the dramatic increase of the import tariff for processed cocoa in relation to raw beans. This places the exportation of processed products already in a disadvantageous position. Additionally, they are facing big companies' profit structures, which can be challenging.

Moving to a more local context, the cocoa sector in Africa is lacking a number of actions to realize more independence and a sector capable to capture more benefits. Missing investment is highlighted as one of the main limitations to the development of new initiatives aiming to process cocoa. This is a chronic problem suffered by countries in this continent despite their natural resource richness. Thus, investment is needed to emancipate African economies and finally own the resources that other regions of the world have exploited for their own benefit. However, structural organizations are missing to bring forward the steps from investment to initiatives. It is known that in the case of cocoa, producers have weak organizational structures which usually function more as an administrative entity to facilitate payments, dates of delivery and related issues (Laven, 2004). Therefore, the strengthening and emancipation of these structures is a mandatory step in which external organizations are called to support this process offering the recognition and representation in forms of voice and power to realize the claimed changes. Nevertheless, these processes take time in order to build up robust structures

In addition, the institutional entities of countries such as Ghana can play a role as both enablers and disablers for the cocoa sector development. The excessive bureaucracy, corruption and a strict control over the sector are seen as potential constraints to initiatives aiming to change the status quo (FGD 2). From the total revenue of the cocoa beans exportation, the state keeps up to 40% from which only a percent is reinvested in the sector (FGD 2). The destination of these resources seems unclear and relevance is gained in the discussion as many actors in the sector remains stuck in conditions of extreme poverty. Moreover, difficulties concerning knowledge gaps and technology may be further constraints for Ghanaian processing initiatives. Hence, the encouragement of the cocoa processing sector seems difficult but with enormous potential. Political support can determine the success of a transformation for the cocoa sector in Ghana from being raw material exporter to enter the processing and manufacturing industry. This public enabling process can appear in the form of tax reduction, infrastructure cooperation, the promotion of knowledge transfer and a stronger position in the transnational trade agreements negotiations and is a plausible path to follow for the African Diaspora.

Pathway towards African autonomous processing: ChocoTogo



SOURCE: <http://fr.make4africa.org/2017/01/c-hoco-togo-une-startup-qui-produit-des.html>

Few pioneers have taken the step to relocate processing to Ghana and other countries in Africa despite the many obstacles. One of the examples is ChocoTogo. ChocoTogo is an initiative that started in 2013, with six entrepreneurial young women from Togo in a training course on traditional chocolate making in Italy during the International Fair of fair trade chocolate (ChocoTogo, 2019). The training was organized as part of the 'Youth in Action' program funded by the European Union (FYSIC). The emergence of the enterprise intended to focus on job creation and the financial autonomy of the population through the construction of a cocoa processing plant and a food processing plant to process local natural fruit into juices and organic jams, for both the local and the international market. ChocoTogo is both Ecocert and UTZ certified. No chemicals are used with natural ingredients. They have won several prizes for the quality of their products and the success of their business model.

Main achievements

The ChocoTogo Cooperative is a social enterprise of 10 young entrepreneurs with currently 35 employees, who are mostly women. The cocoa beans grown by 1,500 small farmers in the Akébou region of southwestern Togo are shelled by about 40 women in the region and then transformed into chocolate in Lomé. ChocoTogo makes use of traditional production methods which enables the company to create a chocolate that does not melt, and can be stored at room temperature in Africa. Hence, the ChocoTogo chocolate is a valuable option for the Togolese context and consumption. The strong focus on women in their production process also speaks for their internal focus on women empowerment in the production and their marketing.

In order to empower their providers of raw materials and provide them with a decent income, ChocoTogo decided on paying double the market price. This speaks at the same time for undervalued level of production of raw materials and ChocoTogo's claim to support their farmers' positions.

Critical points

the first trainings for chocolate making took place in Italy. That means that Western chocolate standards were applied to an otherwise entirely Togolese business. This training involved EU funding which enabled the women of ChocoTogo to learn crucial techniques. This type of training is not available to the majority of young entrepreneurs. Relocating such trainings to African countries in order to make them accessible to more actors could be an entry point African Diaspora.

DISCUSSION & CONCLUSION

The following part of the report provides background information on the current situation in the cocoa sector in Ghana and the African Diaspora. It first describes the dominant steps and structures in the farming, processing and trade of cocoa for chocolate production, including information on pricing and market developments. Further the role and history of cocoa with regard to government regulation and certification schemes is discussed.

Discussion and conclusion

The cocoa sector operates according to unfair trade relationships throughout the whole chain whereby African perspectives to fairness are largely neglected. This research raises questions about how 'fair' standards could be negotiated and formulated by those stakeholders who are currently excluded from this debate. In the following we will discuss the main points coming up during our last iteration round as a discussion chapter and then draw our main conclusion with some central recommendations for AIM and the engagement of African Diaspora. These recommendations can be understood as a decision-making guide.

Binary structures

Dilemmas have one clear structure- they show you two distinct options. This highlights and emphasizes the contrast between raised issues. However, it separates one from the other. This presentation of binaries stands in opposition to Fraser's argument that the dimensions of Social Justice are deeply intertwined and one cannot be realized without being grounded within and building upon each other. This means that options should never be understood as mutually exclusive, but rather as suggestions which, once debated and weighed, can offer support in reaching the best possible impact. Since the cocoa value chain is particularly entrenched and very complex, solutions and attempts need to incorporate these complexities. The art therefore is, to raise above binary understandings of option 1 or option 2 to intertwine them based on individual strengths, resources and opportunities.

Reproduced Western approaches

Chocolate is a luxury product, while the purchasing power and consumer market for chocolate in West Africa is still small. So far it cannot be foreseen when this is going to change and if it is a desirable goal to establish chocolate as a consumer product in West African economies at all. Whenever it is the aim that chocolate is as widely consumed in West Africa as it is in Europe, this could be criticized as being an attempted emulation of a Western system to Ghanaian society. Although markets can be created, one can raise questions about whether this should be the goal. The most pressing issue remains improving local livelihoods. Even if West Africa became a consumer market for chocolate, the magnitude of the cocoa trade production far outweighs what the local economies could handle. The lion's share of cocoa still will go overseas. Thus true improvements in the sector still remain with changing the current consumer-producer relationships towards local value-addition and -capture through processing. It can be argued that the marketing of the chocolate still is most effectively conducted in the consumer markets. This does not necessarily diminish opportunities for Diaspora. Manufacturing of chocolate in consumer countries still could benefit from Diaspora involvement through ownership and management of manufacturing in countries of residence. Their knowledge and connection to producer- and consumer markets could still facilitate unique partnerships that can redefine the relationship between the continents.



In research, academics should never underestimate the influence of their choice in words. By using the term 'farmers', publications have the power to shape the view of their readers and limit target groups to a certain image of 'farmers' as an underrepresented group. Farmers, as used in the report, often falsely focusses on land ownership. Farmers, as understood in the Ghanaian context, are however all workers in and around the cocoa fields owning and not owning land.

Despite the made distinction between Western and African approaches to fairness the question can be raised in how far this distinction still remains relevant when looking at practical initiatives to bring about change. When assessing initiatives, may they originate from or operate in Africa, Europe or elsewhere, what eventually is important is whether they are effective in realizing Social Justice and positive change. When being truly inclusive to all stakeholders and enabling their participatory parity they can transcend presumed boundaries and antagonisms. The cocoa supply chain as a global chain cannot affect change within one continent. In a globalized world effort should not be valued by its geographical origin, but on its principles, goals and effectiveness.

Political dependencies

Another point that has to be taken into account, is the position that you aim to fulfill within the current political playing fields. It was suggested that for existing organizations such as the African Foundation for Development (AFFORD) it is more difficult to go against the stream because of their position and dependencies within current political systems. Financial support in terms of funding such as EU and other actors could be connected to requirements and might limit actors to raise their voice on unpopular issues. By being involved on such high political levels, it can be argued that they themselves are becoming an elite, for whom it is more difficult to lobby for revolutionary change as also their own existence depends on it. Therefore, for all organizations reaching a certain influence and power this point needs to be considered and perhaps be understood as a natural limit for rebellion.

Recent developments

During the last iteration round, three new issues that could influence the state of the cocoa sector were raised. First, the option of getting engaged with MNCs to bring processing steps to Ghana might result in the possibility of MNCs taking ownership of lands in Africa. MNCs might increase their power further, whereas farmers would lose their rights of property. Second, new views on the role of remittances must be taken into account. Currently, remittances only take a small portion of money that is generated by the Diaspora and most of it is sent to the family. It would be useful if there were initiatives to trace back the usage of remittances to ensure that they are being used in the most beneficial manner for the COO's development. Lastly, China as a new power in the world trade starts to also expand its presence in Africa. China, with 'Silk Road Economic Belt' initiatives, tries to expand their influence by investing in both hard and soft infrastructure in Africa, Europe, Asia, and South America. Hence, it might possibly enter the cocoa supply chain as a new actor. This trend requires future research.

Conclusion

How to go about fairness?

For decades fairness has largely been debated from a Western perspective only. As fair-trade schemes failed to solve the apparent issues within the cocoa sector, it is time to involve those who have remained unheard. The African Diaspora takes a promising role within this debate as there are many possibilities for them to enter the cocoa supply chain and inspire change. Enhanced by transnational cultural aspects and professional expertise they can drive the discourse around fairness. A critical assessment of the questions on 'who makes the decisions' and 'who gets what' in the cocoa supply chain based on Nancy Fraser's Social Justice theory as well as fairness in African philosophies reveals opportunities and possibilities for the African Diaspora to make changes in the current system.



What does this look like in practice and with whom to collaborate?

By posing the questions 'How to go about fairness?', 'What does involvement in the cocoa sector look like in practice?' and 'With whom to collaborate?' this report explores the possible pathways for the African Diaspora to get involved in the cocoa supply chain. This report does not aim on answering these questions, but merely on facilitating the decision-making process by showing the multiple possibilities. However, our research did lead us to three central recommendations for the African Diaspora.

Knowledge transfer

African Diaspora can play a significant role in knowledge transfer due to their country-specific knowledge of culture, customs and languages from both the countries of origin as well as from the countries of residence. African Diaspora can bundle and transfer this unique mix of information and prevent misunderstandings as well as facilitate new forms of cooperation. This is supported by their unique insights in both Dutch and African contexts. One of the main challenges in this respect is the organization of African Diaspora and the responsible and thorough acquisition and application of this knowledge. Taking on the role to transfer knowledge between their COO and the Netherlands always comes with great responsibility and expectations. To keep this task manageable we recommend to choose a specific field of influence that coincides with personal interest and skills and to put a specific focus on transparency and accountability throughout the process. Next to that, existing knowledge gaps should be acknowledged and complemented by e.g. the installation of an Advisory Board.

In this specific context of the cocoa supply and value chain originating in Ghana, this unique position mainly concerns on the one side connections between farmers and their communities, entrepreneurs in Ghana, NGOs and governmental decision-making bodies. On the other side, in this case based in the Netherlands, this entails consumers, Dutch NGOs, entrepreneurs and existing chain actors, as well as governmental decision-making bodies in the Netherlands. This exhaustive list does not mean that change and knowledge has to be transferred between all actors at all times, but gives a first impression of how versatile the African Diaspora can be in their function of stakeholder connection. Various examples can be named and found where entrepreneurial endeavors failed due to one-sided approaches, stakeholder exclusion or a thematic scope that was chosen too wide to target on the ground realities in both Ghana and the Netherlands. The African Diaspora has the potential as mediator and broker of knowledge to facilitate suitable informed choices.

Building bridges

Limited scope

One of the challenges for the African Diaspora is that their impact on the cocoa supply and value chain can be shaped in many ways (a new certification standard, bean-to-bar enterprises, capacity building workshops etc.). This is both an advantage, as it offers the possibility to decide how resources can be best allocated as a disadvantage, as decisions on where to focus on have to be made. For every option it is advised to choose a limited scope. Think of it as a 'one issue party' which can conquer the world by addressing the issues within the cocoa supply chain step by step.



The main take-away after talking to many people and reading even more opinions from around the world is, that there is not 'the one perfect solution'. The strength of the African Diaspora is rather to provide knowledge to find fair and equitable solutions to specific questions and challenges. For these small wins that contribute to the bigger picture, trial and error is a pivotal aspect that will help to make the cocoa sector fairer- for everyone. We sincerely hope that this report can serve as a first inspiration and motivation to become a change agent in the cocoa sector.

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APPENDICES

APPENDIX 1

FLO Fairtrade Standards Europe (FLO, 2019)

Standard Type	Underlying Principles
Standards for Small-scale Producer Organizations	<ul style="list-style-type: none"> • Members must be small-scale producers. The majority of the members of the organization must be smallholders who don't depend on hired workers all the time, but run their farm mainly by using their own and their family's labour. • Democracy. All members have a voice and vote in the decision-making process of the organization. Members also decide collectively how to use the Fairtrade Premium (the extra sum of money paid on top of the selling price) to best suit their needs. • Enabling strong producer organizations. The Standard provides a framework for small-scale producers to build resilient and inclusive organizations, improve their farming performance, and generate more benefits for their members and their communities.
Standard for Hired Labour	<ul style="list-style-type: none"> • Management of the Fairtrade Premium. The Fairtrade Premium Committee, which includes workers representatives, is responsible for the management of the Fairtrade Premium in accordance with Fairtrade standards. • Freedom of association & collective bargaining. Workers have the right to join an independent union to collectively negotiate their working conditions. • Working conditions. Working conditions are equitable for all workers. Salaries must be equal or higher than the regional average or than the minimum wage in effect. Health and safety measures must be established in order to avoid work-related injuries.

<p>Standards for Contract Production</p>	<p>This is the standard for small-scale producers who are not yet democratically organized.</p> <p>As a temporary measure, they can join Fairtrade if they have a partnership with an organization (such as an exporter or NGO) who will assist them to form an independent organization.</p> <p>The Contract Production Standard applies to cocoa in the Pacific.</p>
<p>Standards for Contract Production</p>	<p>This is the standard for small-scale producers who are not yet democratically organized.</p> <p>As a temporary measure, they can join Fairtrade if they have a partnership with an organization (such as an exporter or NGO) who will assist them to form an independent organization.</p> <p>The Contract Production Standard applies to cocoa in the Pacific.</p>

APPENDIX 2

Iterative changes in dilemmas

In this section, we describe the chronological evolution of our dilemmas that are being used for our data collection methods. This list and evolution consists of five iterative rounds which will be described below.

First iteration round:

Dilemma 1: Ecological Dilemma: Economic short term benefits / longterm ecological benefits

Farmer X has been growing cacao for 10 years on his 1ha farm outside of Accra. He is married and has two children. His farm is fairtrade certified. The yearly income generated from the cacao is 340\$. His production methods involve heavy use of fertilizer and pesticides which are costly. Over the past 3 years, X has noticed a decrease in yield even though he regularly applied the fertilizer. For the following season, X has two options.

OPTION 1: X invests in fertilizer in order to ensure short term economic benefits but risks further depleting the ecosystem.

OPTION 2: X applies ecological methods which lead to increased labour and decreased yields while restoring the ecosystem in the long run.

Dilemma 2: Fairtrade visibility Dilemma: Awareness but not really fair / more fair but limited influence

The Fairtrade certification label is one of the most popular and most positively perceived certification systems worldwide. Following a study from 2015, more than 50 percent of consumers in 15 countries know the Fairtrade certification label (GlobeScan, 2015). This wide scope of audience also means the label has a lot of power in influencing public opinion and create awareness of problems.

with increased visibility and more composite products carrying the certificate, consumers are getting more accustomed to the label, but also more uncertain in what the label actually stands for. This unclarity is increased by a growing variety of certification schemes and labels appearing on products (The Guardian, 2019, February 24).

Fairtrade International has two options:

OPTION 1: FT International makes the regulation of what can and cannot carry the Fairtrade label stricter to its original meaning of 100% Fairtrade.

OPTION 2: FT International keeps the current level of minimum 20% Fairtrade ingredients or decreases this level further to increase visibility and consumer awareness.

Dilemma 3: African Diaspora involvement Dilemma: influence but diverting revenues / outside hegemonic market scheme but with a smaller range of influence

Whereas the traditional view on the migration of (high-educated people) out of African countries was perceived as a brain drain for the Countries Of Origin (COO) (Docquier, Lohest, & Marfouk, 2007), this perspective has been challenged by the introduction of the term brain circulation (Saxenian, 2002). Brain circulation refers to immigrants whom keep engaged with their country of origin in one way or another (Chand, 2018). The ways in which Diaspora can contribute to their COO is multi-folded (Chand, 2018), with literature referring to both the possible economic distributional role () as well as to the social investments that can be made (). Both these approaches play a role in (bargaining power) and (inclusion of farmers / Fair Trade) but in different ways. This sets the African Diaspora for a dilemma: play a role in the existing supply chain or become an out-chain agent which focuses on creating bargaining power.

OPTION 1: Enter the existing cacao value-chain as an entrepreneur by starting up a business.

OPTION 2: Become a non-chain actor by starting up an NGO that focuses on offering training, knowledge and organizational powers to farmer.

Dilemma 4: Ethics: anti-establishment / accapeting the neo-liberal model

Today many chocolate brands created a sustainability- and social plan to improve the situations in cocoa producing countries. However, these plans are criticized for still operating in a neoliberal system and mainly being focused on capitalistic value, for example monetizing social and ecological damage.

Ghanaian philosopher Kwame Gyekye (2010), Moeketsi Letseka (2013) and Mogobe Ramose (year), and many more, advocate for an approach that reflects values and process such as community, reciprocity and collective decision making as well. Whereas in urban areas commerce and individualist lifestyles become a norm, rural communities still often practice a discourse that relies on traditional philosophies and structures as that scholars describe as "Ubuntu" and a strong relationship between community and chiefdom. How can one find a compromise or integration of between these traditional values and processes and individualistic values and relationship when regarding fairness in the production and trade of cocoa? And where should the focus be of current fairtrade schemes?

OPTION 1: Current fair trade schemes should no longer be used, as they are based on non-African values.

OPTION 2: Although the current system is not perfect, we should not abolish it but build on it by deepening their (economic) models with a more communal focus.

Second iteration round

Dilemma 1: Which steps count as value addition and how should value be added in a fairer cocoa sector?

Only about 6% of the revenue of a chocolate bar reach the farmer's household, while up to 40% remain at the retail level. Fairtrade chocolates sell for higher prices which yield the farmers slightly higher incomes but do not enough to change the immensely unbalanced allocation of income throughout the cocoa value chain. The relocation of 'added value' to farm level is frequently claimed as a solution to increase the benefit of farmers in the chain. When speaking about value addition, it is usually referred to processing steps from grinding until selling the final chocolate bar. At this point, it is essential to note that EU import tariffs are significantly higher for processed cocoa in comparison to beans. Also, in Ghana chocolate is a luxury good for which the local market share is particularly low. Additionally, processing in the country involves significant investments in machinery and payment of higher tariffs. Steps undertaken by the farmer, which are crucial for the taste of the bean, such as growing the crop, harvesting and post-harvest processing (fermentation, drying and storage) are rarely considered. How to shift this understanding within the chain remains an unsolved question.

OPTION 1: Work towards recognizing on-farm processes as value addition in the cocoa chain without a clear strategy on how to achieve this.

OPTION 2: Relocating current processing activities to Ghana, while facing higher tariffs abroad, without having a local market.pr

Dilemma 3: Should African Diaspora take a position within or outside the existing cocoa value chain?

The cocoa value chain involves, from bean to bar, numerous stakeholders. Revenues are allocated disproportionately between these actors, with farmers and those working at the farms finding themselves at the higher end of the chain. Within literature and practice, it seems that African Diaspora addresses these power relations in two manners; either by becoming an entrepreneur themselves and therefore become another actor in the existing value chain (*chain actor*), or by distancing themselves from existing chain arrangements by becoming an actors as e.g. a Non-Governmental Organization (NGO) (*non-chain actor*).

OPTION 1: Enter the existing cocoa value-chain as an entrepreneur by starting up a business, having direct but limited influence on farmers and divert revenues.

OPTION 2: Become a non-chain actor via an NGO that focuses on offering training, knowledge and organizational powers to farmers and policy makers, having uncertain and abstract influence without certain revenue streams.

Dilemma 2 and 4: How to strengthen and integrate different views on "fairness" in standard setting, decision making and business?

"Fair" trade is becoming increasingly popular among consumers and companies at the lower end of the value chain. Yet, it can be recognised that fair trade certification is still largely based on Western, liberal principles and represent the views and interests of North-American and European stakeholders. Farmers and their communities find themselves dependent on Western fairness efforts. The recognition of their views on fairness and their representation in the formulation of according fair trade certification and agreements is largely missing. A recognition and integration of different local cultural, political and value systems into the decision making processes around cocoa production, trade and policy shows itself as necessary. Only then an equitable relationship between producer and consumer countries can be realized.

OPTION 1: Following established Western certification schemes and change it from within, but imposing Western values.

OPTION 2: Establish new certification standards and procedures recognizing African values, but missing an operating frameworks and institutional structures.

Third iteration round

Dilemma 1: Value Addition Dilemma

Only about 6% of the revenue of a chocolate bar reach the farmer's household, while up to 40% remain at the retail level. Mars, Nestlé and Ferrero count to the biggest cocoa manufacturers and retailers globally. They exert significant influence and market power in the cocoa sector (Fountain & Huetz-Adams, 2018).

Fairtrade chocolates sell for higher prices which yield the farmers slightly higher incomes but do not enough to change the immensely unbalanced allocation of income throughout the cocoa value chain. The relocation of 'added value' to farm level is frequently claimed as a solution to increase the benefit of farmers in the chain. When speaking about value addition, it is usually referred to processing steps from grinding until selling the final chocolate bar.

However, there are multiple obstacles one encounters when exploring possibilities to relocate processing steps to Ghana. If the large chocolate retail companies were to relocate their processing steps, it is questionable whether the revenues would divert more equally along the chain and reach local farmers and their communities in a fairer manner than currently. Setting up processing steps aside of multinational corporations raises concerns of another kind. It is essential to note, that EU import tariffs are significantly higher for processed cocoa in comparison to beans. Selling chocolate bars instead of raw bean involves significant investments in machinery next to the payment of higher tariffs. Additionally, in Ghana chocolate is a luxury good for which the local market share is particularly low. Steps undertaken by the farmer, which are crucial for the taste of the bean, such as growing the crop, harvesting and post-harvest processing (fermentation, drying and storage) are rarely considered.

Dilemma 3: Value Chain Dilemma

The cocoa value chain involves, from bean to bar, numerous stakeholders. Revenues are allocated disproportionately between these actors, with farmers and those working at the farms finding themselves at the higher end of the chain. In Ghana, the cocoa value chain is dominated by multinational companies. The government has no power to intervene the cocoa value chain and leave the situation unfair. Within literature and practice, it seems that African Diaspora addresses these power relations in two manners; either by becoming an entrepreneur themselves and therefore become another actor in the existing value chain, or by distancing themselves from existing chain arrangements by becoming an actors as e.g. a Non-Governmental Organization (NGO) which focused on offering training, knowledge and organizational powers to farmers and policy makers.

As embedded in/expert of the local context in terms of language and cultural knowledge, African Diaspora could exert influence on communication between actors and realistically assess production steps on the ground. However, entering the chain through existing certification schemes would add another actor to the already extensive chain, diverting further income from the farm level. African diaspora who wants to enter the existing cocoa value chain could refer to the case that apply the 'fair' practices in their business. The other option, the diaspora could be a services delivery that provide the services such as training, access to inputs and finance to farmers. On the other hand, African Diaspora could engage in alternative market schemes with the downside of exerting a smaller range of influence.

Dilemma 2 and 4: How to strengthen and integrate different views on "fairness" in standard setting, decision making and business?

Over the last decades, the certification of cacao beans has strongly increased consumers' awareness of issues surrounding cacao production. Buying certified chocolate seems to become increasingly mainstream which results in the willingness of the bigger Multinational Companies (MNC's) to adopt the standards as well. But this is not without challenges. First of all, mainstreaming of fairtrade logos has lead to diluted standards and a watered down version of the initial standards proposed by the fairtrade movement.

Next to that, despite the fact that there is an increase of interest in buying certifications, the certifications seems to go harder than the market. With having over 75% of all farmers certified, only 30% of all chocolate bought in the Netherlands were from these farmers. This means that the farmers can not sell all their beans under their purchased certification, leading to possible losses. As a consequence, the production costs of fairtrade beans which eventually are sold to the conventional market are a financial hurdle for farmers.

On the other hand, reworking the standards and reach 100% fairtrade, makes it harder for farmers to reach those set standards. Consequently, less farms would be certified benefitting only few.