UvA-DARE (Digital Academic Repository)

Linking subsistence activities to global marketing systems: the role of institutions

Kolk, A.

DOI

[10.1177/0276146713500307](https://doi.org/10.1177/0276146713500307)

Publication date

2014

Document Version

Submitted manuscript

Published in

Journal of Macromarketing

[Link to publication](#)

Citation for published version (APA):

Kolk, A. (2014). Linking subsistence activities to global marketing systems: the role of institutions. *Journal of Macromarketing*, 34(2), 186-198.
<https://doi.org/10.1177/0276146713500307>

General rights

It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations

If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: <https://uba.uva.nl/en/contact>, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.

LINKING SUBSISTENCE ACTIVITIES TO GLOBAL MARKETING SYSTEMS: THE ROLE OF INSTITUTIONS

ANS KOLK

Journal of Macromarketing, forthcoming

Abstract

This article aims to improve the understanding of how micro-level subsistence activities might be related to higher-level phenomena to increase well-being of individuals and communities in contexts characterized by institutional gaps. Using coffee as illustrative case, it explores the link between local entrepreneurial activities in developing countries and global marketing systems, with specific attention to the role of institutions. In this way, the article also sheds some light on broader research challenges identified in the marketing and society area on the role of marketing in addressing sustainability and poverty, especially institution-building and failure in development. Insights from coffee projects to help small farmers, undertaken in different settings all characterized by institutional gaps, exemplify the emergence of 'compensatory structures': new/different networks, intermediary entities and partnerships. They further knowledge transfer, market access and capacity building, combining forces through producer groups and cooperatives, and creating links with trading/exporting companies, and often also sector organizations and government agencies, thus illustrating the dynamics at play. While positive outcomes are found, the article also discusses limitations related to certification, access to finance and extension in time and scale, as well as implications for research and practice.

Keywords

Institutions; marketing; society; development; poverty; coffee

LINKING SUBSISTENCE ACTIVITIES TO GLOBAL MARKETING SYSTEMS: THE ROLE OF INSTITUTIONS

In recent articles, prominent scholars have reflected on the development and state of the marketing field, including a better understanding of its role in society (Wilkie and Moore 2012) and the frontiers of the emergent marketing paradigm in the “third millennium” (Achrol and Kotler 2012). Like others in the broad marketing in society area (e.g. Layton 2009; Layton and Grossbart 2006; Shultz 2007), they emphasize the importance of studying the impact of marketing on the world, or the “superphenomena” (Achrol and Kotler 2012) partly covered in the latest definition of the American Association of Marketing in which “marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large” (cited in Wilkie and Moore, 2012, p. 64). Or as MacInnis (2005, p. 14) put it earlier, “marketing is a multifaceted field that leverages perspectives from multiple disciplines to study substantive topics ranging from the study of the macro to the micro, the organization to the consumer, capitalist practice to social welfare, and the local to the global”.

Still, despite the recognized efforts of the past decades, several important research gaps have been identified as “marketing has not embraced a worldview commensurate to its vanguard role in the social and economic well-being of nations” (Achrol and Kotler 2012, p. 44). This statement resonates in Shultz’ (2007) plea for mainstream marketing – based on insights from the macromarketing field – to move to constructive engagement with the world’s “big issues” to further the well-being of individuals and societies. These calls are not new as such, with concerns expressed earlier about the strong focus on methodological precision and technological sophistication to the detriment of important ideas and issues that matter, also for marketing practice and society as a whole (see e.g. the set of short essays in the October 2005 issue of *Journal of Marketing*). In applying the distinction between the methodological, theoretical and substantive domains of study to marketing (Wilkie and Moore 2012), the empirical has prevailed, with conceptualization being less valued (MacInnis 2011), and the substantive, “real world phenomena and problems” “clearly relegated to the third position of priority” (Wilkie and Moore 2012, p. 70). It is in this latter realm that this article aims to contribute in particular.

Amongst the substantive domains mentioned as requiring further research, sustainability, poverty and international development figure prominently (Achrol and Kotler 2012; Wilkie and Moore 2012). More specifically, challenges include marketing in relation to institution-building as well as failure in development, and marketing “as a force for peace and conflict” (Layton and Grossbart 2006, p. 201), considering its potential for promoting collaborative relationships (cf. Shultz 2007) in contexts characterized by social tensions and weak institutions. As such, the situation of those consumers facing severe resource constraints for day-to-day living has received specific attention in the body of knowledge on subsistence marketplaces (see e.g. Viswanathan et al. 2009; Viswanathan and Sridharan 2009). However, while yielding substantial insight into bottom-up, micro-entrepreneurial activities in relation to local buyers and networks, the relationship with more macro-level institutions and global marketing systems has remained underexposed, hence the call for papers for a special issue on this topic.

To help fill this gap and the concomitant research challenges identified in the field of marketing more generally, this article explores the link between local entrepreneurial activities in developing countries and global marketing systems, with specific attention to the role of institutions in such contexts of poverty and fragility. Coffee is used as illustrative case as it exemplifies a product that is overwhelmingly bought by 'global', more distant customers, and thus goes beyond local interactions between buyers and sellers, the usual focus of subsistence marketplaces. Coffee requires inclusion in global marketing systems, and thus appropriate institutions to facilitate entrepreneurship, trade, exchange of value and, more generally, well-being and development, which can be challenging in situations characterized by institutional gaps, as exemplified in this article with projects for small coffee farmers in developing countries in three different continents (Africa, Latin America, Asia). The illustrative case material demonstrates the dynamics at play when micro-level subsistence activities become linked to higher-level, global phenomena, and how 'compensatory' structures are needed to supplement weak institutions in order to increase well-being of individuals and communities. This contributes insights into the possibilities and limitations of marketing (systems) for helping institution-building and further development, aspects in the substantive domain of study that have received relatively limited attention in the literature thus far, as indicated in the next section.

Marketing Systems, Institutions and Development

In the context of developing countries, marketing has been long noted for its crucial role in furthering economic development, particularly in facilitating entrepreneurial and managerial activities through the provision of appropriate structures for business and trade (Drucker 1958). Much more recently, development issues and the role of institutions also figured prominently in the future challenges in macromarketing as identified by Layton and Grossbart (2006) in their overview article. In his expanded macromarketing view on globalization and development, Kilbourne (2004) emphasized the importance of reckoning with the diversity of institutional structures in developing countries. And Layton (2009) noted marketing systems as "third significant set of factors" in considering economic growth, "in addition to favorable institutions and knowledge accumulation". Hence, for the subject of this paper, some more attention to the role of marketing systems and institutions seems appropriate, before moving to the more specific dimensions related to subsistence and well-being of (coffee) farmers and their communities.

Marketing Systems and Institutions

In his 2007 article, Layton stressed the crucial importance of marketing systems, following Hunt's original definition of macromarketing as the study of marketing systems, and of their impact and consequences on society, and vice versa, of society on marketing systems. As elements of a marketing system, Layton (2009) outlined the networks of composing actors and their roles, the social matrix, value exchange relationships and logics, and the commercial activities undertaken to meet customer demand, all embedded in a specific environment. From a more macro perspective beyond the level of the firm, and across countries, Wilkie and Moore (1999, 2012), using the 'aggregate marketing system' label, described the complexities and interdependencies. Coffee served as one of the examples to

unravel the long chain from producer to consumer. They mentioned multiple components and peculiarities, as well as problems and criticisms related to aggregate marketing systems, including negative environmental impacts, and social and economic inequalities. However, their analysis has remained at a more generic level, without aiming at a more detailed understanding of how this works out at the level of producers and in developing countries (as notable, for example, in the case of coffee), considering the relevant institutional context.

Layton (2009, p. 358) did point at the importance of the institutional framework “within which marketing systems emerge and grow, and within which knowledge develops or is restricted”, implying one overarching framework in which the other two are embedded. While this latter perspective is most in line with notions of institutions as used in other disciplines, and adopted in this article as well (see below), it points at a duality (i.e., he considered institutions as “third set of factors” on the one hand, and as encompassing framework, on the other). This duality is perhaps due to diverse conceptualizations of institutions mentioned in Layton’s work. Definitions range from North’s (1994, p. 361) broad “rules of the game” to the more narrow “institutions refer to the conditions and rules for interactions (e.g. transactions) and organizational entities in marketing systems”, in an earlier article (Layton and Grossbart 2006, p. 205).

Without aiming to delve into the wide-ranging debate on institutions as such, a brief indication of main components relevant to developing-country contexts will be given. Institutions have received attention in various bodies of literature, including economics and management, with low levels of development and poverty being linked to weak institutions, particularly the formal (legally enforceable) institutions which have been distinguished alongside the informal (implicit, self-imposed, tradition-based) ones (North 1994). Developing countries, or more precisely, subsistence markets typically have weaker formal institutions compared to developed countries/markets, and informal institutions often prevail in subsistence contexts (Rivera-Santos, Rufín, and Kolk 2012). While formal and informal institutions may supplement one another, the end result usually involves missing/weak ‘rules of the game’, also characterized as a situation of “institutional voids”, defined with a focus on the formal aspects as “the absence of specialized intermediaries, regulatory systems, and contract-enforcing mechanisms” (Khanna and Palepu 2005, p. 62).

It should be noted, however, that such ‘voids’ are not ‘empty’ of institutions, as different types of (informal) rules and arrangements may be in place in specific locations, though insufficient to enable the overall proper functioning and development of markets, also vis-à-vis their (potential) participants (cf. Mair, Martí, and Ventresca 2012; Rivera-Santos, Rufín, and Kolk 2012). In that sense, the term ‘institutional gaps’ might better indicate the varying degrees to which institutions may be present or missing. In the latter category, ‘failure’ (Layton and Grossbart 2006), has also been used, often discussed in relation to failed (or fragile) states in a broader policy context. Fragile states “lack authority, legitimacy and capacity to promote their citizens’ wellbeing”, and are characterized by high levels of poverty and usually a conflict history and/or potential (Brück, Naudé, and Verwimp 2011, p. 162; cf. Naudé, Santos-Paulino, and McGillivray 2011). Regardless of the specific terminology and setting, however, the overall picture is one in which important institutions are missing to a greater or smaller extent, which affects subsistence activities, most notably when they aim to expand beyond the micro-level.

Institutional gaps can be filled by compensatory structures, often created in the

context of marketing systems, such as new/different networks and/or intermediary entities, or partnerships between business and (non-)governmental organizations. The complexity of such alternative arrangements increases if entrepreneurial activities need to connect to buyers outside the local business ecosystem, most prominent in case of extensions to global markets. Coffee is a clear example that illustrates the intricacies. As shown in Figure 1, the major part of worldwide coffee volumes are produced by small producers and traded via middlemen in local settings frequently characterized by institutional gaps, which organized farmer activity and more appropriate marketing systems may help to address. Marketing systems in this long chain from ‘bean to cup’ are multi-layered and complex given the large distance and multiple institutional contexts. Although direct sourcing relationships and partnerships between coffee roasters and local producers exist for specific products or brands (e.g. Starbucks; Nestle for Nespresso), these are rather exceptional and very small relative to the overall size of the market.

[Insert Figure 1 about here]

Subsistence, Farmers and Well-Being

Strictly speaking, small coffee farmers do not seem to fall in the subsistence marketplaces approach which focuses on individual/household product/service needs, and often one-to-one relationships between and among buyers and sellers in localized social settings (Viswanathan et al. 2009). While in some cases, coffee producers may engage in types of subsistence farming if they have a differentiated set of activities, coffee is commonly oriented at global markets, i.e. locally grown and harvested, but exported to and consumed in other countries. Their micro-level entrepreneurial activities thus need to link to higher-level phenomena, particularly marketing systems, are not self-sustaining and contained in local communities, and require compensatory structures to help fill institutional gaps that constrain coffee farmers’ well-being. In view of these deficiencies, they cannot be “viewed as preexisting *marketplaces to learn from* and then create solutions that enable sustainability in the broadest sense of the word”, as subsistence marketplaces have been characterized; but neither are they “*markets to sell to*”, as envisaged by perspectives focused on the poor as consumers (Viswanathan et al. 2009, p. 407; emphases in original). This article thus complements existing approaches by linking in-depth knowledge and learnings from (attempts at) micro-level entrepreneurial activity to the emergence and development of marketing systems, from the micro to the macro level, in the overarching institutional framework from local to global, while exploring the implications for farmers and communities.

The importance of considering the impact of marketing systems on individuals, in addition to broader growth outcomes, was also mentioned by Layton (2009). Arriving at good indicators for well-being is highly complex, however, likely due to the broad and multi-layered nature of marketing systems; a characteristic that also applies to institutions. Marketing studies have generally focused on well-being of consumers (e.g. Lee and Sirgy 2004), not of producers or communities. The only exception is Geiger-Oneta and Arnould (2011), who focused on the subjective quality of life as perceived by coffee farmers in Latin America involved in an alternative trade arrangement. While interesting and valuable, such an approach is only possible in restricted and controlled settings, and does not allow for offering reflections on broader marketing systems and institutional settings.

Therefore, the coffee case analysis that follows will explore the well-being implications of the projects undertaken, using an impact assessment framework developed for bottom-of-the-pyramid (BOP) ventures (London 2008). Inspired by work in the field of development economics, this framework identifies, for local buyers, sellers and communities, changes realized in different types of well-being: economic (especially incomes); capacity (e.g. skills, confidence); and relational (less isolation, improved collaboration/integration). As such, coffee has no relationship to BOP efforts, given that it involves the poor as producers, not as consumers of multinationals' products as the concept was originally presented (Kolk, Rivera-Santos, and Rufín 2013). However, while developed with a different goal in mind and mostly qualitative in focus, this approach appears helpful to obtain more insight into effects of economic, development-related activities for farmers and communities.

Establishing a direct (causal) link with marketing systems seems hard, so that will not be attempted; changes are rather seen as part of the broader set of activities resulting from the projects. What will be explored, however, are flows in marketing systems, indicated by e.g. Layton (2009, p. 239) as crucial contribution from a macromarketing perspective to obtain insight into "the subtleties" "linking system participants". In the context of the coffee projects for small farmers, particularly finance, risk and information seem relevant, so these will be considered and reflected upon below.

Research Approach

The illustrative coffee case as reported below results from a typical "immersion in the phenomenon of interest", as recommended by MacInnis (2012, p. 152), who also noted scholars to be "rarely encouraged" to obtain such valuable information from those who are daily involved in the practice of marketing, in whatever capacity. A long-term process of "immersion" led to in-depth insights into the development and implementation of projects for small coffee farmers by a multinational company foundation, specifically set up for the purpose in 2002 (see also next section).¹ Over a period of more than a decade, an understanding of the achievements, complexities and dilemmas could be gained from access to all relevant project documents, interviews with project staff and participation in board meetings of the corporate foundation. As links between larger marketing systems and individual-farmer level activities in developing-country settings characterized by institutional gaps have hardly been studied empirically, and represent a relatively new and evolving research phenomenon, the exploration aimed to discover relevant factors involved. In line with Dubois and Gadde (2002), the approach was to use insights from existing and evolving conceptualizations, on marketing in the context of institutional gaps in particular, and to inform their development by combining them with relatively unique case material. The inclusion of projects in five different countries on three different continents (see below) was not meant for a direct comparison, but to help shed light on "the variation among them" (Dubois and Gadde 2002, p. 558) and thus on the possible aspects that play a role and that can be helpful as input for a better understanding and to guide further marketing research and practice.

The coffee projects in five developing countries vary on several aspects (including location, farm size, traditions, literacy, preexisting organizational embeddedness and market situation), which is useful to shed light on the range of possible issues at stake, also in

relation to the complexities of marketing systems in the overall institutional framework. As shown in Table 1, the countries involved also show considerable variation, but all with deficiencies regarding the evenness of development, government legitimacy and provision of public services. It should be noted that these are national-level indicators, and that coffee regions are in the countryside, often at a considerable distance from urban centers with thus much less government presence and frequently higher levels of poverty, isolation and lack of perspective (which induced youth to migrate to cities). The sample includes the three large coffee countries that account for 55% of world production: Brazil, Vietnam, Columbia as well as two other major producers on their respective continents, Peru (third in Latin America) and Uganda (second in Africa).

[Insert Table 1 about here]

All projects target small farmers, but as Table 1 indicates, average farm sizes differ between 1 and 5 hectares of coffee. Through their activities, they reach more people than just farmers (also their families/communities), on average between 4 and 7 persons, with variations between projects. The farmers typically suffer from a range of constraints that affect value creation and value capture. These relate to access to and cost and quality of capital, production inputs/resources, and market knowledge and information, as well as lack of market power and market security (cf. London, Anupinid, and Sheth 2010). As supporting institutions are apparently too weak or non-existent, the projects help to create/strengthen alternative arrangements and interfaces. Some further details for each will be given below to shed light on these aspects in particular, paying attention to local, context-specific information, thus benefiting from the spread and diversity of projects. Before moving to the insights of the coffee projects, however, first some background information will be given on the corporate foundation, in the context of developments in the coffee sector more generally.

Background on the Coffee Sector and the Corporate Foundation

The past decade has seen growing attention to international coffee supply chains more generally, particularly to make them more sustainable in social, economic and environmental terms. Actors from developed countries have started to undertake activities to further coffee production by small farmers in developing countries, in view of often dire poverty of producers, their families and communities, as well as poor working and health and safety conditions, and environmental degradation. Increased economic involvement has also been said to help address tense relations in communities and regions where (armed) conflict has played a role, thus helping to promote peace and reconciliation post-violence at both local and (sub)national levels. Supply-chain projects have provided assistance to small farmers so that they can improve agricultural practices, increase efficiency and yields, and generate better prices leading to higher incomes. Roasting and manufacturing companies have become very active, initially mainly because they were pressured to take their responsibility by non-governmental organizations (Kolk, 2005, 2011; Oxfam, 2002); in recent years coupled with a recognition of the crucial economic contribution of small farmers given that they supply the majority of coffee worldwide. There is also a growing role for large international retailers and trading, processing and exporting companies, with donor agencies and development organizations sometimes taking care of accompanying health, educational

or broader community projects.

In this context, the DE Foundation also became active by directly supporting coffee quality improvement projects that aim to improve living conditions of small farmers, with an eye to furthering sustainability in mainstream coffee production (Figure 1) as a whole. This is in line with the company objective to only buy sustainable coffee in the future. However, as nobody knows how to realize sufficient production of sustainable coffee in the short term to meet full market demand (current certified coffee volumes amount to less than 10% of total; Kolk, 2011), sector-wide learning from such small-scale experiences is seen as a crucial first step. Therefore, experiences and lessons have been shared openly in a transparent manner. The company has no direct purchasing interest in the coffee projects; their volumes are negligible compared to its overall needs anyway. Whereas its procurement organization (Decotrade) gives input regarding possible project locations considering their economic viability in relation to expected market demand, farmers who participate in projects are free to sell to whomever they want. Decotrade is committed to buying the coffee from them at the appropriate price, but often finds that farmers from the projects sell their coffee to others.

Sustainability is seen from a triple-bottom line perspective, encompassing economic, environmental and social aspects: “protecting and improving the natural environment”; “safeguarding the labour rights and health of local communities”; and the promotion of “productive, efficient and competitive” practices via projects that help small farmers “to improve the quality of their produce”, “reap a higher share of the export price by improving market access and logistics”, and obtain a “decent income and a future in growing coffee”.² The latter includes the objective to realize certification of small coffee producers once that is possible, so that they might be able to obtain a higher price for a better product if that is recognized as such in the market. The standard selected for certification is Utz, seen as most suitable for large-scale mainstream market adoption (Kolk 2012) compared to other third-party programs (Fairtrade, Organic and Rainforest Alliance), as it is open to producers of all sizes and production types/areas and imposes less restrictions (see Kolk 2011 and Reinecke, Manning, and Von Hagen 2012 for comparative overviews). Interestingly, farmers in the projects sometimes decide to go for certification according to other standards as well if feasible to further improve their market position. The Foundation has established links with trading, processing and exporting companies, if that seems required to improve market access and create a better negotiating position for farmers. Sometimes an exporter (or an association of farmers) becomes the holder of the sustainable coffee certificate, especially useful in case of many small farmers for whom the individual administrative burden would be too high. Although Utz is the most generic one amongst the standards, it still involves third-party certification with the concomitant requirements in terms of administration and external auditing, which is often difficult for small producers as will come to the fore in the brief project analyses below.

Learning and knowledge exchange are major components for the Foundation, not only in its outreach to share insights with other parties, but also in the projects for small farmers in producing countries. As outlined in its methodology:³ “We make learning easier and more effective by encouraging producers to work in groups. In participatory processes, we support producers in developing entrepreneurship by offering them knowledge on how to improve productivity, quality, production and processing efficiency. Farmer Field Schools provide an excellent learning environment where agricultural practices are registered and

compared with each other. Discussion often leads to self-initiated improvements.” Projects have focused on transferring skills related to marketing and negotiation, but also on organizational aspects such as support for the formation of cooperatives or associations, in addition to sustainable farming practices. Where possible, Farmer Field Books have been introduced, in which participants keep records of their use of inputs and their produce. On the basis of an analysis of the data they have collected, often performed by project staff, comparisons can be made between farmers, to make informed decisions and improve practices. Training and project activities are conducted by project staff or other experts that are hired, or by coffee producers themselves, who have often first been trained themselves, so that they can transfer knowledge and/or facilitate some of the activities, and greater numbers can be reached.

Insights from Coffee Projects

This section presents brief overviews of the coffee projects in five countries in three different continents, as introduced above and in Table 1. While somewhat more extensive economic, environmental and social analyses are available per project, they are not discussed here as that is beyond the scope of this article. It should also be noted that these are not real assessments suitable for comparison in view of differences in degrees of depth, and the absence of control groups and frequent lack of baselines, also due to project-specific, contextual constraints (cf. Kolk, 2011, 2013). Instead, Table 2 gives an overview of changes in well-being for farmers and communities, divided into economic, capability and relational well-being as explained above. It summarizes cross-project implications in a more generic way, with an eye to generating input for discussing the marketing systems and institutions after the brief country/project descriptions that follow next.

[Insert Table 2 about here]

Uganda

This project worked with farmers who belong to the poorest coffee producers with the smallest scale, and are scattered around the Luwero region. The project organization therefore structured the members in such a way that they could collectively market their produce, and consequently attract the interest of larger buyers and increase farmers’ negotiating power. To this end, collaborative structures were set up, and 24 Depot Committees (DC) were formed, each composed of 5-10 producer organizations with 50 members. This structure enabled farmers to sell their coffee through the DC and eliminate the middleman, to whom they used to sell their coffee for any price offered. Due to the structure realized through the project, farmers can wait for official prices from large buyers to be communicated to the DCs, reflecting much higher degrees of transparency. With the support from the project, producers were also encouraged to replant better coffee varieties and taught basic sustainable farming practices. They consequently realized a higher coffee yield of better quality, leading to increased prices.

However, not everything was successful. While almost half of the 5,000 farmers obtained Utz certification, the majority of them considered this to be laborious with a price return that is not commensurate with the requirements to acquire and maintain the certification. And although the project helped to develop a savings culture amongst the

farmers, very appropriate for the off-season period in particular, more extensive access to financing was necessary; in the third, current phase of the project, DCs are establishing contacts with local banks for obtaining credit facilities. Other requirements for further improvement are better access to public extension services, and a sector-wide approach at the national level to develop the institutional framework to realize joint export logistics. Since 2011, the Foundation has collaborated with several parties, including the National Coffee Platform and the Bill and Melinda Gates Foundation, to make progress on these aspects. DCs are joining forces in the Uganda Coffee Farmers Alliance that operates at the national level to realize economies of scale, increase market access and improve bargaining power.

Peru

The project in Ubiriki started after contacts with Prodelsur, a processing and exporting agency, which saw clear opportunities for improvement in coffee quality and farm management. The project also gave support for processing, certification and market access. As an outflow of the activities of the Farmer Field Schools, producers created a new cooperative which grew over the years. The cooperative managed to obtain certification according to Utz and several other standards, and attracted credit from banks to pre-finance coffee buying from its members. Quality improvement paid off in higher prices relative to other producers in the region, and intensive participatory efforts included attention to involving women. Extensive training and technical support, also related to representation and governance principles and methods inherent to a cooperative, was needed in this project overall, as participants had limited levels of formal education. The project staff was able to introduce the use of the farmer field book, for which they often relied on dissemination via the ones who were more (technically) literate. Project staff developed a training centre that received recognition by government authorities, although scaling-up of similar activities to the national level is still to be realized.

Despite the achievements, there were sometimes internal issues related to production, marketing, organizational structure, financial management and leadership. Notable in the last category was that, in early 2011, for idiosyncratic reasons, the president of the cooperative wanted to change direction, which included selling the coffee locally instead of for export, and stopping certification. Interestingly, the institutional embeddedness of the cooperative, which had developed in the course of the project (e.g. with financial and trading partners), resulted in pressures that helped to build a momentum that induced a leadership change. The president and the whole board of directors resigned, and with a newly-elected management, the cooperative continues the course it had taken.

Vietnam

Vietnam has seen several projects of the Foundation, of which Quang Tri was the earliest. Compared to the Peru and Uganda projects, it was different, not only in terms of the geographical location, but also regarding farmers' literacy and market orientation. In Quang Tri, market access was no problem for the farmers, because the project only worked with those who already sold to the mill involved (Tan Lam), but for the mill it was an issue, vis-à-vis Western roasters. Although farmers improved quality, production and productivity (using less fertilizer and pesticides) with the new sustainable farming practices (through Farmer Field Schools), the quality desired by the large Western roasters could not be provided. It

should be noted that factors such as location, altitude, and climate, which participants were unable to change, also played a role, particularly in barring proper storage. Decotrade initially bought some coffee from Tan Lam, but that did not last long as the quality could not meet its standards. And while Utz certification was obtained with support from the project, and Tan Lam managed to retain it, a better price (premium) cannot be fetched due to the poor quality of the coffee. Consequently, participants did not see the price return (premium) as commensurate to the work involved in remaining Utz compliant. However, losing the certification was perceived as a loss of face for Tan Lam and therefore no option. Farmers related to Tan Lam had to sell part of their coffee to the mill to pay for the mortgage they had on their land and for the coffee plants they had bought from Tan Lam. They sold the rest of their coffee to the one who paid most at that moment – middlemen, small traders, or any of the mills in the area. Tan Lam faced difficulties in pre-financing and in raising money for investments or for buying enough coffee to compete with other mills in the region, which put the mill in a relatively weak position. Interestingly, the farmers themselves concluded that the project had helped them sufficiently and that no extension was needed.

A similar project was then set up to provide technical training to Robusta farmers in Gia Lai province. Concurrently, activities started to collaborate with the Vietnamese government and other stakeholders in the coffee sector to see what else would be needed to improve the coffee sector. This led to a sector-wide plan to roll out insights from this and other pilot projects to as many of the 500,000 coffee farmers in the country as possible, but a clear mechanism to implement this plan was lacking; it was basically left to individual organizations. The Foundation subsequently joined forces with the Dutch Ministry of Agriculture and the Rabobank Foundation to start a project (which included the Gia Lai farmers) to help farmers organize themselves in cooperatives to extend access to adequate (public) support (financial) services for production, processing, trading and export. A challenge is to overcome the distrust on the part of farmers and local policymakers concerning cooperatives (or comparable associations), which stems from Vietnam's communist heritage.

Brazil

This project followed from an existing local partnership between the company and the processing plant Quota Mille, and in the early phase a small group of farmers received farm management support on an individual basis in a rather top-down manner. The second phase, from 2006 onwards, was redesigned to be more in line with the Foundation's methodology as it had developed, in order to reach larger numbers of producers and to professionalize farm practices this way and improve market access. The project was successful on several counts and had a remarkable impact in the region which it helped to revitalize. This attracted considerable interest from commercial actors, local authorities and even the national media (the largest TV station, Globo, featured the project in a 25-minute documentary). Through the new sustainable farming practices taught to the farmers, quality and yields improved significantly.

The attainment of Utz certification by a group of smallholder producers was pioneering in Brazil. As certification has traditionally been oriented to large producers, this was a complicated process because some of the requirements needed to be adapted to smallholder realities and capacities, which had to be recognized by Utz and the Brazilian

auditing agencies as well. However, despite all the efforts and resources dedicated to certification, the premium obtained turned out to be too small for farmers. They could get the same 'extra return' if they sold the coffee without issuing invoices (a practice adopted in 15% of the transactions) or traded it via a cooperative, which offered them some tax advantages compared to a possible premium derived from Utz certification. As a result, out of the 120 that obtained Utz, only 73 retained it by the end of the project; nevertheless, those that dropped out stated to continue most of the farming practices learnt.

It was a challenge to organize these farmers in groups in a participatory manner in the context of a very top-down culture (in which the expert speaks and tells what to do, and the farmer listens) coupled with risk aversion and low levels of formal education (which sometimes hampered the use of farmer field books and also negatively affected project documentation activities, rather different from the Vietnamese project). Despite a tradition of individualism, however, producers started to collaborate and participated in Farmer Field Schools, also due to efforts put in by project staff, resulting in higher levels of social coherence and community building. Compared to some other projects, middlemen did not play a role in this Brazilian region, as all coffee went via the mill.

Colombia

The final project started most recently, in an area strongly affected by violence in the preceding decade. Inhabitants had left, with farms, infrastructure and social structures destroyed and coffee production abandoned. Return, renewal of coffee fields and reconstruction have been central objectives, to restore production in this region that is physically isolated but has high-quality (premium) potential. Through a partnership with the National Federation of Colombian Coffee Growers (FNC), the Dutch Ministry of Foreign Affairs and local authorities, the project helped to rebuild infrastructure, farms, houses, buying/processing facilities and trading networks. Coffee fields were taken into production again and farmers (and their families) received training on a range of issues related to coffee, but also to health, nutrition, labor, forest/environmental management, social cohesion, gender equity and community building. The formation of coffee grower groups, the restart of a cooperative, the realization of Utz certification for quite some farmers, the restoration of trust as well as a decrease in violence against women resonated in a more positive outlook for the future.

The project is seen as a success and FNC aims to obtain funding for a roll-out/extension to more farmers (as currently only part of the community is included, which is not optimal as it may induce tensions) and to other communities. Difficulties to be addressed in further steps include physical distance from markets and difficult road access, aggravated by climate/weather conditions; cultural barriers including lack of formalized traditions, reflected in approaches to health (limited use of protective equipment when spraying pesticides) and labor (no formal payment culture, limited knowledge of standards); and lack of coordination between the community and local governments. Interestingly, the experiences with participation through the project had a positive impact in this regard, as farmers started to put pressure on local agencies to take responsibility, for example, for improving the infrastructure, thus showing an impact on governance and democratization.

Discussion and Conclusions

The coffee projects from a diversity of institutional settings shed light on challenges in linking local entrepreneurial activities in developing countries to global marketing systems. They aimed to help small farmers obtain better access to markets to improve their well-being in a sustainable manner. In the context of institutional gaps, the projects created/strengthened 'compensatory' structures in the form of alternative arrangements, particularly partnerships, new/different networks and intermediary entities. Concomitantly, they illustrate this article's focus on local entrepreneurs and on its exploration of the dynamics of their interactions with higher-level phenomena, such as producer groups, cooperatives, trading/exporting companies, as well as sector organizations in the country and local/national government agencies, often including public extension services, departments of agriculture and coffee boards.

In this way, the article aimed to complement existing approaches by linking in-depth knowledge and learnings from (attempts at) micro-level entrepreneurial activity to the emergence and development of marketing systems, from the micro to the macro level, in the overarching institutional framework, while exploring the implications for farmers and communities. While not all projects managed to establish the whole range of relationships already, given different starting positions of farmers, preexisting structures, and varieties in institutional gaps, steps were taken to bring farmers together, improve farming practices in line with recognized quality standards, and create as many linkages to markets and institutions as possible, including better access to information about agricultural methods and prices. Positive changes in well-being were realized for farmers, their families and communities. Parallel (informal) marketing systems were affected and sometimes became less important, reducing risks for farmers. Follow-up studies would be helpful to assess this more precisely, also considering effects on adjacent marketing systems and communities not covered by projects (cf. Geiger-Oneta and Arnould 2011).

Interestingly, some projects (e.g. Vietnam, Uganda) led to broader-ranging initiatives at upscaling, which means that insights from initially small projects are being spread. This means that coffee projects initially induced from the macro level by the DE foundation have had not only micro implications for farmers and their communities, but also for the sector in the country more broadly, and, through dissimination of learnings, often much wider, even back to the macro level. As shown in Figure 2, the influence of the multinational company foundation (as shown in the foci in the boxes at the left-hand side) has been primarily on local conditions in developing countries, but with a potential for subsequent micro-macro linkages through the mechanisms indicated at the right-hand side. The very network and international activities of the DE Foundation have been instrumental in this regard.

[Insert Figure 2 about here]

Better agricultural practices that producers learnt through the projects not only enabled farmers to improve the quality of their products and consequently their competitive position, but also increased their yields which made them more attractive to traders and exporters, particularly if they joined forces (and thus quantities) in producer groups (see Figure 2). Quality and quantity are main factors when traders and exporters consider the feasibility and attractiveness of certain locations, and the logistics involved. Projects focused on strengthening the positions of farmers by bringing them together in producer groups, and

establishing linkages with exporters. This facilitates joint training activities and also certification, with either the cooperative or the exporter as the holder of the Utz certificate. Certification as such does not assure coffee quality, however: especially if the coffee is not of a quality that meets large roasters' standards (such as described for Vietnam), farmers will not fetch the premium they may have expected. This is a clear disadvantage that is often disregarded in the frequent focus on the processes and criteria of standards imposed by more powerful actors in global supply chains (e.g. Lee, Gereffi, and Beauvais 2012).

Therefore, projects that facilitate certification are in themselves of great value to small farmers, for whom attainment of certification on their own would be infeasible. However, when such projects stop and the certification process is not supported anymore, farmers may tend to only keep the certification if it makes direct economic sense to them. Often the premiums derived from certification are not perceived to be in line with the time and resources invested, even though customers (e.g., roasting/manufacturing companies in the first instance) increasingly ask for certified coffee. The added value of certification will also be less obvious in a situation when coffee prices are high due to shortages on the market (possible exacerbated by speculative trading). Still, for farmers, this approach may mean that short-term economic considerations are traded off against longer run (potential) benefits. If prices go down again, non-certified coffee is likely to become less beneficial than certified coffee, and farmers without certification will face a competitive disadvantage. Interestingly, some farmers mentioned to continue the practices they learnt in the process even though not pursuing certification any longer, which underlines the importance of training and knowledge transfer. These aspects would be interesting to investigate in more detail in future research.

Another important factor related to flows in marketing systems is (access to) finance (cf. Layton 2007). The company foundation helps farmers to improve their business by adopting more sustainable practices, but does not want to commit to or become directly involved in financing issues, which is beyond its core mission and objectives, and rather complex as well. Lack of (access to) finance (credit) puts producers in a weak and difficult position as this limits their ability to buy good quality raw materials (seedling, coffee trees) and/or inputs such as fertilizer. In their absence, quality and yield will be negatively affected, and this also applies to producers' profits and residual money to reinvest in their farms. Financial markets are often inaccessible due to farmers' lack of collateral for loans. This situation forces farmers to sell their products to middlemen and obtain (pre)financing from them, but these intermediaries tend to either charge high interest rates or offer low prices, thus further compromising farmers' livelihood.

In this realm, institutional gaps clearly exist, and compensatory structures are not easy to find, although the cooperative route may offer opportunities. Deficiencies are also notable regarding extension and agricultural support services as well as government guidance of the coffee sector, which the projects helped to set in motion but these were only first steps. In some countries preexisting structures and historical peculiarities facilitated this development; examples include the relatively strong involvement of the Vietnamese government and the national coffee federation in Colombia which obtained an important role by national assignment. Even there, however, a roll-out still has to take place to leverage local experiences and results to the national level and realize society-wide impacts. In some countries, such as Brazil and Vietnam, there were difficulties in realizing collaboration amongst farmers. Further study of their attitudes and behaviors regarding

compensatory structures in the context of institutional gaps would be helpful, also as input for future projects.

Overall, the article aimed to improve the understanding of how micro-level phenomena in developing countries can be linked to those at higher levels to increase well-being of individuals and communities in contexts characterized by institutional gaps. It used coffee as illustrative case to extend current insights on marketing systems and institutions, which had not been considered together in developing-country settings in such an over-and-above approach. In this way, it also ventured to contribute to broader research challenges identified in the marketing and society area on the role of marketing in addressing sustainability and poverty, especially institution-building and failure in development (Layton and Grossbart 2006). This article showed how marketing can have an influence on these “big issues” through “constructive engagement” (Shultz 2007), i.e. helping to address poverty of farmers and communities, and improving the situation of those living in subsistence contexts, promoting collaboration and reducing tensions in communities. The variety of projects in diverse institutional settings with different preexisting conditions and peculiarities of farmers can inform marketers interested in undertaking similar activities in developing countries. At the same time, however, this article represents just a first exploratory analysis into important scholarly and societal issues that deserve further empirical and conceptual research attention. While positive outcomes for well-being were found, questions remain regarding best ways to extend them beyond projects as reported here, in the context of larger global supply chains with their concomitant power dynamics, and how to best address limitations related to certification, access to finance and extension in time and scale.

Notes

¹ The author was independent external board member of the DE Foundation in the period 2002-2010, and has been in frequent touch with full access to information until today. The Foundation was created in 2002 by Sara Lee’s International Coffee and Tea Division, headquartered in Europe. In 2012, the International Coffee and Tea Division was separated from the US Sara Lee company, with an independent listing on NYSE Euronext under the name of D.E. Master Blenders 1753. In 2013, an investor group led by JAB made a full public offer on D.E. Master Blenders 1753, supported by its management. In the period, there were no changes to the DE Foundation as this is a distinct entity albeit funded by and directly linked to the International Coffee and Tea Division / D.E. Masters Blenders 1753, as implied in its name.

² Quotes taken from <<http://www.defoundation.org>>, accessed November 8, 2012.

³ Quote taken from <<http://www.defoundation.org>>, accessed November 8, 2012.

References

- Achrol, Ravi S. and Philip Kotler (2012), "Frontiers of the Marketing Paradigm in the Third Millennium," *Journal of the Academy of Marketing Science*, 40, 35-52.
- Brück, Tilman, Wim Naudé and Philip Verwimp (2011), "Small Business, Entrepreneurship and Violent Conflict in Developing Countries," *Journal of Small Business and Entrepreneurship*, 24 (2), 161-178.
- Drucker, Peter F. (1958), "Marketing and Economic Development," *Journal of Marketing*, 22 (3), 252-259.
- Dubois, Anna and Lars-Erik Gadde (2002), "Systematic Combining: An Abductive Approach to Case Research," *Journal of Business Research*, 55, 553-560.
- Geiger-Oneto, Stephanie and Eric J. Arnould (2011), "Alternative Trade Organizations and Subjective Quality of Life: The Case of Latin American Coffee Producers," *Journal of Macromarketing*, 31(3), 276-290.
- ITC (2011), "The Coffee Exporter's Guide," Geneva.
- Kilbourne, William E. (2004), "Globalization and Development: An Expanded Macromarketing View," *Journal of Macromarketing*, 24(2), 122-135.
- Khanna, Tarun and Krishna G. Palepu (2005), 'Emerging giants. Building World-Class Companies in Developing Countries,' *Harvard Business Review*, 84 (10), 60-69.
- Kolk, Ans (2005), "Corporate social responsibility in the coffee sector. The dynamics of MNC responses and code development," *European Management Journal*, 23 (2), 228-236.
- Kolk, Ans (2011), "Mainstreaming Sustainable Coffee," *Sustainable Development*, doi: 10.1002/sd.507.
- Kolk, Ans (2012), "Towards a Sustainable Coffee Market? Paradoxes Faced by a Multinational Company," *Corporate Social Responsibility and Environmental Management*, 19, 79-89.
- Kolk, Ans (2013), "Contributing to a More Sustainable Coffee Chain: Projects for Small Farmers Instigated by a Multinational Company," In *Sustainable Value Chain Management: A Research Anthology*, Adam Lindgreen, François Maon, Joëlle Vanhamme and Sankar Sen, eds. Ashgate/Gower.
- Kolk, Ans, Miguel Rivera-Santos and Carlos Rufín (2013), "Reviewing a Decade of Research on the Base/Bottom of the Pyramid (BOP) Concept," *Business & Society*, doi: 10.1177/0007650312474928.
- Layton, Roger A. (2007), "Marketing Systems: A Core Marketing Concept," *Journal of Macromarketing*, 27(3), 227-242.
- Layton, Roger A. (2009), "On Economic Growth, Marketing Systems, and the Quality of Life," *Journal of Macromarketing*, 29 (4), 349-362.
- Layton, Roger A. and Sanford Grossbart (2006), 'Macromarketing: Past, Present, and Possible Future,' *Journal of Macromarketing*, 26 (2), 193-213.
- Lee, Joonkoo, Gari Gereffi and Janet Beauvais (2012), "Global Value Chains and Agrifood Standards: Challenges and Possibilities for Smallholders in Developing Countries," *PNAS*, 109(31), 12326-12331.
- Lee, Dong-Jin and M. Joseph Sirgy (2004), "Quality-of-Life (QOL) Marketing: Proposed Antecedents and Consequences," *Journal of Macromarketing*, 24(1), 44-58.
- London, Ted (2008), "The Base of the Pyramid Impact Assessment Framework: Understanding and Enhancing Value Creation," William Davidson Institute at the University of Michigan.
- London, Ted, Ravi Anupinid and Sateen Sheth (2010), "Creating Mutual Value: Lessons

- Learned from Ventures Serving Base of the Pyramid Producers," *Journal of Business Research*, 63, 582-594.
- MacInnis, Deborah J. (2005), "Them Versus Us: Woes on the Bifurcation of the Academic Marketing Discipline," *Journal of Marketing*, 69 (4), 14-16.
- MacInnis, Deborah J. (2011), "A Framework for Conceptual Contributions in Marketing," *Journal of Marketing*, 75 (4), 136-154.
- Mair, Johanna, Ignasi Martí and Marc J. Ventresca (2012), "Building Inclusive Markets in Rural Bangladesh: How Intermediaries Work Institutional Voids," *Academy of Management Journal*, 55 (4), 819-850.
- Naudé, Wim, Amelia U. Santos-Paulino and Mark McGillivray, eds. (2011), *Fragile States. Causes, Costs, and Responses*. Oxford: Oxford University Press.
- North, Douglas C. (1994), "Economic Performance Through Time," *American Economic Review*, 84 (3), 359-368.
- Oxfam (2002), "Mugged. Poverty in your Coffee Cup," Washington.
- Reinecke, Juliane, Stephan Manning and Oliver von Hagen (2012), "The Emergence of a Standards Market: Multiplicity of Sustainability Standards in the Global Coffee Industry," *Organization Studies*, 33(5-6), 791-841.
- Rivera-Santos, Miguel, Carlos Rufín and Ans Kolk (2012), "Bridging the Institutional Divide: Partnerships in Subsistence Markets," *Journal of Business Research*, 65, 1721-1727.
- Shultz, Clifford J., II (2007), "Marketing as Constructive Engagement," *Journal of Public Policy & Marketing*, 26 (2), 293-301.
- Viswanathan, Madhubalan, Anju Seth, Roland Gau and Avinish Chaturvedi (2009), "Ingraining Product-Relevant Social Good into Business Processes in Subsistence Marketplaces: The Sustainable Market Orientation," *Journal of Macromarketing*, 29 (4), 406-425.
- Viswanathan, Madhubalan and Srivas Sridharan (2009), "From Subsistence Marketplaces to Sustainable Marketplaces: A Bottom-Up Perspective on the Role of Business Poverty Alleviation," *Ivey Business Journal*, 73 (2) (accessed September 6, 2010), [available at http://www.iveybusinessjournal.com/article.asp?intArticle_ID=816].
- Wilkie, William L. and Elizabeth S. Moore (1999), "Marketing's Contributions to Society," *Journal of Marketing*, 63 (Special issue), 198-218.
- Wilkie, William L. and Elizabeth S. Moore (2012), "Expanding Our Understanding of Marketing in Society," *Journal of the Academy of Marketing Science*, 40, 53-73.

FIGURES AND TABLES

Figure 1. An overview of the coffee supply chain

Note: Different arrow sizes in coffee streams are meant to give a rough indication of divergent volumes involved (i.e. small producers are estimated to account for 70%-80% of total coffee production, and retail for 70%-80% of consumption).

Table 1. Overview of coffee projects and countries

	Countries				
Characteristics	<i>Uganda</i>	<i>Peru</i>	<i>Vietnam</i>	<i>Brazil</i>	<i>Columbia</i>
<i>Share of world coffee production in 2011 (%)</i>	2.5	4.2	15.3	33.3	6.0
<i>Share of coffee in national export by value (2005-2010) (%)</i>	17	2	3	3	6
<i>Rank in failed state index 2012 (Somalia ranks 1, Finland 177)</i>	20	99	96	123	52
<i>Public services score(2012 (1 is most stable, 10 most at risk)</i>	8.6	6.6	6.1	5.5	5.9
<i>State legitimacy score 2012 (1 is most stable, 10 most at risk)</i>	8.0	7.1	7.5	5.6	7.4
<i>Uneven economic development score (1 is most stable, 10 most at risk)</i>	8.1	8.0	5.9	8.4	8.4
<i>Poverty and economic decline score (1 is most stable, 10 most at risk)</i>	7.5	4.6	6.1	3.6	4.0
<i>Human Development Index 2011 (Norway ranks 1, Congo 187)</i>	161	80	128	84	87
	Projects				
<i>Location of projects in the respective countries</i>	Lowero	Ubiriki	Quang Tri	Serra Negra	Serranía de Perijá
<i>Main time frame of project</i>	Since 2004	2003-2011	Until 2006	2006-2010	2009-2012
<i>Average farm size</i>	0.61 ha	4.6 ha coffee (total 15 ha)	1 ha	4 ha	1 ha
<i>Coffee product type</i>	Robusta	Arabica	Arabica	Arabica	Arabica
<i>Number of farmers in project</i>	5,000	300	150	250	800
<i>Approximate total numbers reached</i>	30,000	1,450	1,000	1,000	4,000

Source: World coffee shares: calculated from <http://www.ico.org/prices/po.htm>; Coffee export shares: ITC 2011 p. 2; Failed states index: http://www.foreignpolicy.com/failed_states_index_2012_interactive; Human development index: <http://hdr.undp.org/en/statistics/>; Project information: DE Foundation project documents and DE Foundation website.

Table 2. Outcomes of coffee projects in terms of well-being at producer and community levels

Small coffee producers	Communities
<i>Potential changes in economic well-being</i>	
<ul style="list-style-type: none"> • Increased income from quality and yield improvement • Improvement of the coffee produce enabled the investment or creation of secondary income-generating activities (e.g. other crops) • Better prices due to quality improvement and premiums from certification • Lower dependence on middlemen • More transparency and less information asymmetries at the moment of trading 	<ul style="list-style-type: none"> • Generation of new businesses as a result of farmers' new demands and needs • Incomes of existing businesses increases or decreases as demand for pesticides, seedlings, fertilizers, and other input changes • New demand might lead to new services or better pricing • New jobs and economic opportunities • Infrastructure might be improved • New technologies might be introduced or made feasible
<u>Possible areas of improvement</u> <ul style="list-style-type: none"> • High costs of Utz certification – in terms of cost-benefit in some cases it does not compensate the investments made • Farmers are still vulnerable to coffee market fluctuations • Lack of access to finance increases vulnerability and jeopardises projects' sustainability • Limitations to market access if there is not sufficient organisation building 	
<i>Potential changes in capacity well-being</i>	
<ul style="list-style-type: none"> • Sustainable farming skills, entrepreneurial skills, and trading skills through training and education • Knowledge about participatory methods, organisation building and networking • Higher inclination to seek for relevant information and new developments, and better informed decision-making • Self-esteem, self-efficacy and contentment derived from results achieved and new competences learnt • Higher aspirations and goals as a result of new management skills and farming practices that led to novel opportunities • Key farmers were trained to be trainers and extension service providers, and provide first aid and chemical security 	<ul style="list-style-type: none"> • Community members have the possibility to learn about new development and possibilities, and can get access more easily to educational opportunities and learn through information dissemination • New perceptions about and awareness of opportunities such as health care and education might lead to novel and better pronounced demands by communities to the government • Sense of dignity and respect, especially as a result of social programmes (notable in particular in the Luwero project) • At the group and community level new new aspirations and goals are developed
<u>Possible areas of improvement</u> <ul style="list-style-type: none"> • Retention of skilled key farmers/trainers in the project 	
<i>Potential changes in relational well-being</i>	
<ul style="list-style-type: none"> • Increase in trust among farmers, and between farmers and project staff • Cooperation among farmers, which might lead to possible organisation building and the formation of cooperatives and/or associations • Increase in local and foreign network opportunities • The success or failure of farmers might affect their reputation and status vis-à-vis others • Possible change in the role of women in households and communities as they are also targeted in the projects • In case ethnic minorities were targeted, more possibilities emerged for interaction with 'dominant' ethnic groups • Some farmers had a status change to trainer, facilitator or extension service provider • Different relationships with suppliers and other actors in the chain due to higher quality of produce, certification, group formation, and better skills and knowledge 	<ul style="list-style-type: none"> • Increased government awareness of and involvement with certain communities, enlarged (inter)national networks • Projects in Vietnam initiated discussions and led to a project roll out that targets the whole coffee sector at the country level • More inclusion of minority groups and women in the communities • Increase in social cohesion, especially important in areas previously characterized by conflict • Higher incomes led farmers to invest more in their children's education, livelihood, or increased consumption • Sustainable farming practices and Utz norms improved the relationship with the natural environment (ecosystems, land, energy and water quality) • Changes in some traditional practices, leading to behavioral and cultural changes
<u>Possible areas of improvement</u> <ul style="list-style-type: none"> • Reduction in dependence on extension service providers or project (partners) 	

Figure 2. Micro-macro linkages in coffee projects

Source: Left part of the figure adapted from DE Foundation Uganda project documentation.