Fair Tea

Private Sector's Role in Kenyan Tea Fair Trade Standards and their Impact on Sustainable Development

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Abbreviations

CSR	**Corporate Social Responsibility**
ETI	**Ethical Trading Initiative**
ETP	**Ethical Tea Partnership**
FFS	**Farmer Field School**
FLO	**Fairtrade International**
GVC	**Global Value Chain**
IDH	**The Sustainable Trade Initiative**
ILO	**International Labour Organization**
KTDA	**Kenya Tea Development Agency**
MSI	**Multi-Stakeholder Initiative**
NGO	**Non-Governmental Organisation**
OECD	**Organisation for Economic Cooperation and Development**
RA	**Rainforest Alliance**
RQ	**Research Question**
SAN	**Sustainable Agriculture Network**
SD	**Sustainable Development**
SDG	**Sustainable Development Goals**
SQ	**Subquestion**
UN	**United Nations**

Abstract

This master thesis examines the governance of fair trade multi-stakeholder initiatives that are embedded in global value chains in order to deduct their relevance to – and impact on sustainable development. For this purpose, this thesis analyses fair trade MSIs pertaining to the Kenyan tea value chain to empirically investigate the role of the private sector within these initiatives as well as these initiatives' subsequent impact on the conditions of Kenyan tea farmers and workers. On the one hand, the impact analysis focuses on deriving the economic, social and environmental effects on workers' conditions in the Kenyan tea value chain that work in adherence to this standard. On the other hand, the results from this impact analysis are then applied to six Sustainable Development Goals deemed relevant to the Kenyan tea sector to assess the selected MSIs' contribution to the SDGs. Initially this thesis set out to investigate six fair trade MSIs, but two of them had to be disregarded. The four fair trade MSIs that informed the analysis are the Rainforest Alliance, Fairtrade International, Ethical Trading Initiative and Ethical Tea Partnership. All four set social, economic and environmental standards governing fair and ethical trade. Hassan and Lund-Thomsen's (2017) novel methodology and analytical framework for combining research on the governance dimensions of MSIs with these dimensions' impact formed the methodological basis for this thesis. The literature review and theory chapter delves into relevant literature to assess the current knowledge and development in the fields of MSIs, global value chains, corporate social responsibility and the SDGs. All of these concepts will be used to inform the analysis employed in this thesis. The findings relate to the private sector's role in the four selected fair trade MSIs in the Kenyan tea sector on the one hand. On the other hand, the analysis focuses on assessing the impact of these MSIs on workers and farmers in the Kenyan tea value chain. This is achieved by examining these MSIs' impact on sustainable development, meaning the social, economic and environmental effects on workers' conditions as well as the impact on the SDGs. This thesis is structured as follows. First, an introduction chapter presents the crucial concepts in this thesis as well as the research focus leading to the research question. Second, a methodology chapter outlines the research methods and data collection and analysis techniques employed in this paper. Third, the literature review and theory chapter examines the latest developments in the fields of MSIs, GVCs, CSR and the SDGs. Then, the analysis focuses on answering the research question and subquestions by assessing the findings of the research before drawing conclusions. Finally, this thesis provides recommendations for future research.

Introduction

This chapter is structured as follows. First, a background section indicating what led the author of this thesis to study the particular area of interest and why the chosen topic is relevant will be provided. In due course of this section the links among the chosen concepts will be explained. This then feeds into the next section, which discusses the research focus and the need for academic exploration of the chosen topic. Following the research focus the research question and subquestions will be outlined, in addition to the research methods employed to attempt answering the research question. The penultimate section of this chapter then considers the value of this research. Lastly, the introduction features an overview of the structure of this thesis.

Background

In due course of globalisation notable changes to the international governance structure took place. Due to an inability of international and intergovernmental organisations as well as nation states to pass or enforce legislature governing environmental or social standards, private and non-state actors stepped forward to create such standards (Rasche, 2012). Consequently, these actors shifted the political and economic power structures towards a more heterogeneous setup as they aimed to fill the governance voids that nation states and international organisations created with their failure to act (Klingebiel and Paulo, 2015). These actors thus pursued the creation of transnational standards because globalisation made – and continues to make – it easier for firms to shift their manufacturing locations. They (ibid) attribute these changes in the international system to the rise of emerging powers. They argue that they create a new multipolar order, thus hampering the perspectives of multilateral initiatives. The result is often that multilateral institutions increasingly fail to produce significant outcomes or agreements that can be applied transnationally. In response to this trend, new forms of

governance started emerging. While nation states are rendered increasingly idle due to the new multipolar order, networked governance represents a novel phenomenon that promises to address a wide range of complex issues society as a whole faces (Bäckstrand, 2006). Especially in terms of social and environmental standards, an area of increasing importance to conscious consumers in the West, networked governance initiatives started emerging in the past twenty years that aimed to establish better rules for the actors involved.

While there exists a wide range of terms used for such initiatives (Utting, 2002), this thesis will refer to these new forms of global governance as Multi-Stakeholder Initiatives (MSIs). These imply a diffusion of authority from nation states and intergovernmental institutions to private, non-state actors (Bäckstrand, 2006). While governments and public authorities can be participants, MSIs tend to shift the regulatory power to private actors in global value chains (GVCs). MSIs tend to be set up to create transnational standards, often for a specific industry or sector (Baumann-Pauly et al, 2017). In an MSI a great variety of relevant actors and stakeholders then unite to fill the governance voids left by nation states by drawing up a set of standards that all actors voluntarily agree to adhere to. This is especially relevant in the area of trade. In the past twenty years initiatives started emerging due to perceived weaknesses of the conventional trade system. Due to globalisation, agricultural or textile products from developing countries were increasingly being shipped to – and consumed in the Western hemisphere. This geographical dispersion of producers and consumers often entailed that initially there was little public information about the conditions in which these products were manufactured or processed. While GVCs enabled lower prices for certain goods, it also started emerging that workers' conditions in some of these value chains were far from ideal (Neilson and Pritchard, 2011). As a consequence, fair trade initiatives were introduced that aimed to improve workers' conditions in the global South (Bardh and Carlsson, 2015). As such, fair trade initiatives wanted to offer conscious consumers in the North the opportunity to buy products that originate from developing countries, while simultaneously ensuring fair working conditions, wages and social and environmental

protection. The livelihoods of those labouring to provide these products to affluent consumers in the North should be protected and enhanced by participating in GVCs. Therefore, fair trade initiatives started certifying producers that adhered to their standards and put labels on products that fulfilled their requirements in order to enable consumers in the North to buy globally sourced products such as tea, coffee or bananas knowing that the farmers and others labouring along these GVCs are fairly treated and reimbursed (Nelson and Pound, 2009).

This is the apparent link between fair trade and MSIs: fair trade initiatives are a kind of MSI, because they involve setting up transnational standards in a democratic decision-making process, unite all stakeholders to ensure that the voices of those that may not be considered in conventional trade arrangements are heard, monitor compliance and devise mechanisms that ensure adequate measures in case of non-compliance. These characteristics and mechanisms allow fair trade initiatives to understand and address the challenges the producers of global goods such as tea face, at least in theory (Blowfield, 2003). Fair trade thus enables firms to manage the social and environmental impacts of their business activities. For a multitude of reasons – partly because reputation factors gain importance for multinational enterprises (MNEs) - these types of MSIs increasingly form part of companies' efforts towards corporate social responsibility (CSR) (Fransen, 2018). By engaging in these private self-governance initiatives they not only address the governance voids that exist in conventional trade in producer regions, but also contribute to the livelihoods of poor producers and workers' conditions in GVCs (Utting, 2013). As MNEs are embedded in – and often have a leading position in GVCs, they play a major role in MSIs governing fair trade, because their choice of suppliers and willingness to engage with – as well as support fair trade's principles and institutions determines the effects on workers' conditions in developing countries. This is not to be confused with Fairtrade (FLO), which represents one of these fair trade initiatives. The wording is key, as it is written in on word, whereas 'fair trade' represents the concept as a whole (Nelson and Pound, 2009). This thesis, while also analysing the Fairtrade (FLO) standard, refers to *fair trade* as the concept. As noted above, fair trade standards tend to

be set collaboratively, often involving the private sector, local as well as international NGOs and worker unions or groups. Since MSIs are an instrument of CSR they are also of high practical relevance for sustainable development. While there exist a number of definitions for fair trade (Smith, 2013), FINE – an umbrella organisation for Europe's four largest fair trade institutions, namely the World Fair Trade Organization, Fairtrade International (FLO), International Fair Trade Association and the European Fair Trade Association – has been using the same definition for the past 17 years: "*Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South*" (WFTO, 2018). This necessitates the consideration of another concept when academically researching MSIs governing fair trade: sustainable development and subsequently the sustainable development goals (SDGs). Sustainable development is a theoretical concept defined in the Brundtland commission's flagship publication 'Our Common Future' as "…development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (WCED, 1987, p.43). The three-dimensionality of it entails that it incorporates the axes of social, economic and environmental sustainability in its concept (Barkemeyer et al, 2014). This chapter already established that fair trade impacts sustainable development. However, since sustainable development tends to be regarded as a theoretical concept and MSIs governing fair trade tend to be of high practical relevance and nested in the real world, it would be useful to combine fair trade MSIs with a sustainable development instrument that is of similar practical relevance in order to better assess the validity of fair trade's claim that it impacts sustainable development. What comes to mind are the SDGs, introduced in 2015 at the United Nations Sustainable Development Summit (UN-DESA, 2018). The successor of the Millennium Development Goals (MDGs), the SDGs comprise 17 universally applicable, global and highly interdependent goals ranging from the eradication of poverty, to sustainable economic growth to gender equality and environmental protection and resilience (ibid). Almost all of the world's governments have pledged to implement these goals in their national strategies in order to further

sustainable development and address the challenges identified in these 17 goals. The private sector is a crucial actor in the SDGs and sustainable development as a whole, as it represents not just the productive assets of an economy, but has the potential to contribute to addressing the social, economic and environmental challenges a society faces (Barkemeyer et al, 2014). It is considered as playing a key role in the implementation and achievement of the SDGs, as they require large collective efforts (Kolk et al, 2017), which once again demonstrates the relevance of fair trade MSIs and their connection to sustainable development. The aim is to have achieved these goals by 2030. The topics discussed above give an indication regarding the background for the research focus. It becomes evident that in all of the concepts examined, the private sector plays a crucial role as its role shifted from a mere focus on profit to also having to consider its activities' effects on people and planet (ibid). To reiterate, the over-arching topics are MSIs governing fair trade standards, GVCs, CSR and the SDGs. Next, this chapter outlines the overall research focus in order to arrive at a research question.

Overall Research Focus

Preliminary research into MSI literature showed that it is a fairly novel and still understudied governance instrument in GVCs (Utting, 2015). While most of the literature has thus far focused on MSI effectiveness and practitioner-oriented guidance for setting up and growing an MSI, little research exists into the private sector's role in MSIs (ibid). This is striking, considering that many MSIs only came into existence because of the willingness of firms to go beyond their legal requirements in developing countries (Nolan, 2013). As such, one can consider these MSIs to engage in creating soft law (ibid). In doing so, these new forms of governance partnerships arose that allowed marginalized producers and workers to voice their concerns and the challenges they face as part of GVCs. As highlighted above, it is important to acknowledge the interconnectedness of these topics, which in turn makes it more difficult to obtain a clear-cut research focus, as all of these topics have to be properly understood and studied to be able to provide a coherent analysis. Simultaneously, this also raises the importance of critically evaluating

the topics at hand. So far, it should have become evident that the private sector is crucial in each of these phenomena and that there exists a lack of research into its role in MSIs overall. The background section indicated a focus on MSIs that set up rules and standards governing fair and ethical trade. However, as MSIs never cease to develop, the focus should not solely be on the role the private sector has at a given point in time. Rather, this thesis should consider the role of the private sector in fair trade MSIs from their point of inception until now. This is crucial for two reasons. First, this allows a critical evaluation of its role during the initial stages of an MSI – from the first rounds of discussion until the standards have been decided upon, adopted and amended. In other words, it enables the reader to understand what role companies played in the setup of an MSI in order to deduct whether there were any power imbalances at the onset. Second, by putting this into perspective with the current role of the private sector in MSIs the reader should be able to comprehend whether the private sector's role has changed over time, for better or worse. Further to acknowledging the fact that an MSI is under constant development as a result of feedback loops and monitoring and evaluation mechanisms (Stern et al, 2015), this benefits the analysis because it may enable an understanding of how MSIs change over time. This describes the first part of the research focus: the role of the private sector in the historic development of MSIs. More specifically, MSIs that set up rules governing fair trade.

As noted in the background section, fair trade initiatives were introduced in order to improve the livelihoods of marginalised workers and producers in GVCs. They aim to contribute to sustainable development. Hence it may be of high practical relevance to empirically investigate whether these MSIs actually contribute to better working conditions for those labouring at the base of global commodity value chains. While there exist some theoretical discussions on the impact of fair trade MSIs, there is hardly any empirical research relating to this topic and a relevant methodology has only just been developed for this very purpose (Hassan and Lund-Thomsen, 2017). This articulates the second research interest for this thesis: the effects of fair trade MSIs on producers and workers in developing countries. Put differently, part of this thesis aims to capture the

impact such MSIs have on those that are the intended beneficiaries of fair trade initiatives. Capturing the impact of something that is understudied requires defining what the term impact refers to in relation to fair trade MSIs. The concept of sustainable development is beneficial in this case, due to the fact that a common conceptualisation of this phenomenon lists three spheres of impact: social, economic and environmental (UN-DESA, 2018). This is also the understanding of impact that will be used in this thesis to analyse the effect of fair trade MSIs on its intended beneficiaries. To be more precise, the research focus with regards to impact aims to investigate how fair trade MSIs make standard takers – in this case workers or producers – economically better off, whether there are any social impacts from these standards, for example in relation to gender equality or improved workers' rights and whether the environment in which these people work and live also benefits from the standard and is not merely understood as externality. To recap, two research foci have thus far been established: the role of the private sector in the historic development of fair trade MSIs and the social, economic and environmental impact of such MSIs on workers' conditions. The second part in particular should allow for deductions whether these fair trade initiatives actually contribute to sustainable development. As has been discussed above, all of these topics are of high practical relevance. Thus, it may also be highly relevant to include the SDGs, as these seek to impact all spheres of society. Their role in this thesis is to serve as guiding principles for measuring the impact. On the one hand, the impact will be measured along the economic, social and environmental dimensions of the business activities regulated by the chosen MSIs. On the other hand, certain SDGs may be picked in order to provide more tangible and real-world applicable analysis of the sustainable development impacts of fair trade MSIs. This leads to another crucial aspect for this thesis, which is to define a scope. As there exists a plethora of fair trade MSIs governing vastly different value chains and commodities, it would be useful to apply this analysis to a chosen set of MSIs that govern the same value chain. As examining all existing fair trade MSIs would be too broad, this thesis will focus on MSIs that create fair trade standards pertaining to the tea value chain. Since tea is a commodity that has been globally traded for centuries, it is useful for this thesis because it not only fulfils the

requirement for a global commodity value chain in which marginalised and poor producers labour in developing countries (van der Wal, 2011). It has also seen a rising popularity with regards to fair trade. It is the second most consumed beverage in the world after water (FAO, 2015). Among the largest tea producing and exporting countries are China, Sri Lanka India and Kenya (FAO, 2015). To improve the scope of this thesis it is useful to pick the one that seems the most promising in terms of the availability of data and presence of fair trade MSIs. In 2013 Kenya had the highest number of tea exports worldwide with just above 400,000 tonnes of tea exported for the global market, ranking third in overall tea production (ibid). Much of the black tea blends that are consumed in the North, particularly in Western Europe, originate from Kenya and increasingly carry fair trade labels (Nelson and Pound, 2009). Furthermore, the Kenyan tea value chain consists of over 600,000 smallholder farmers, which together make up over 60% of Kenya's tea production and are represented by the Kenya Tea Development Agency (Blowfield and Dolan, 2010; Lernoud et al, 2017). The institutional setup of Kenya's tea sector can be seen in Appendix 1. The total area of tea cultivation certified by fair trade MSI standards amounts to over 75% of the total area used for tea production in Kenya (Lernoud et al, 2017). Kenya was the largest producer of MSI standard-compliant tea in the world in 2013 (Potts et al, 2014).

In addition to now having chosen a case country, it would be further advantageous to decide on a preliminary set of fair trade MSIs such as Fairtrade International (FLO), Rainforest Alliance and Ethical Tea Partnership. The chosen MSIs for this research will be articulated in the methodology chapter. At this point it suffices to mention that the number of MSIs researched will be limited to a select few that are applicable to Kenyan tea. Further to narrowing the scope with regards to the value chain and the MSIs researched, it is also necessary to choose the most relevant SDGs for this endeavour, because applying all 17 SDGs would be too broad and go beyond the scope of this thesis. IDH Sustainable Trade, a Dutch MSI that works on sustainability issues in a range of global commodity sectors such as tea, coffee or soy, identified six SDGs that are highly relevant for the tea value chain: 1 (no poverty), 2 (zero hunger), 5 (gender

equality), 8 (decent work and economic growth), 12 (responsible production and consumption) and 17 (partnerships) (IDH, 2018). Applying the principle of sustainable development to the impact assessment of MSI standards in the Kenyan tea value chain is crucial as it allows investigating whether this concept is also embedded in the chosen MSI standards. As stated in the background section, the definition of fair trade MSIs incorporates this principle. Moreover, the SDGs are relevant for the Kenyan tea value chain due to this GVC relying heavily on smallholder farmers who often live in poverty (Stathers and Gathuti, 2013), often discriminating against women (Kabiru, 2008) and having little implementation of sustainable agricultural practices (Minang et al, 2014). As such, the SDGs above will also feed into the research design in order to instrumentalise the SDGs. The private sector then comes into play as it makes up the Kenyan tea value chain (Blowfield and Dolan, 2010), hence it is crucial to include it in the analysis. Thus far this section outlined the research focus. The reader should have learned the area of study in this thesis and the reasons why there is a need for research in this area. Based on this section it is now possible to devise a research question that reconciles the relevant topics in one phrase. Moreover, some subquestions will be provided that aim to guide both the thesis process and the structure of this thesis. Thus, the following research question and subquestions emerged:

Research question:
What is the role of the private sector in fair trade Multi-Stakeholder Initiatives relevant to the Kenyan tea value chain and how do these MSIs impact workers' conditions and subsequently sustainable development?

Subquestion 1:
What is the role of the private sector in the chosen MSIs' legislative, executive and judicial governance, both historic and current?

Subquestion 2a:
What is the economic, social and environmental impact of these MSIs on workers' conditions in the Kenyan tea value chain?

Subquestion 2b:

What is the impact of the chosen MSIs on the Sustainable Development Goals number 1, 2, 5, 8, 12 and 17?

The choice to analyse fair trade MSIs' sustainable development impacts in the Kenyan tea value chain both based on the three-dimensional concept of SD (Barkemeyer et al, 2014) as well as based on the SDGs resulted out of the perceived differences that this analysis might show. As the literature review and theory section will demonstrate, little research exists that aims to instrumentalise the SDGs for MSI impact assessment. Thus, the split of having subquestion 2a and 2b rather than 2 and 3 has to do with the research question addressing sustainable development as a whole, which, for this thesis, is split on the three dimensions of SD on the one hand. On the other hand, SD impact can also be evaluated based on the SDGs. This entails that SQ 1 has an equal weight in this thesis as SQ 2a and 2b combined and means that the impact analysis focuses similarly on exploring whether the SDGs can actually be adapted to measure MSI standards' impacts. The next section of this introduction outlines the research methods applied before discussing the value of this research and finishing with the structure of the thesis.

Research methods, Research Value and Structure of the Thesis

The thesis is designed as an inductive literature review with some secondary data collection and analysis. Hassan and Lund-Thomsen's (2017) methodology for analysing MSIs and CSR in GVCs forms the methodological basis for this thesis. Though initially designed as such, the methodology section will shed further light on why this thesis shifted to solely relying on secondary sources and anecdotal evidence. The methodology and analytical framework by Hassan and Lund-Thomsen contains the MSI governance aspect as well as guidance regarding how MSI impact on workers conditions can be measured both qualitatively and quantitatively. However, as this thesis relies on secondary sources only, much of the analysis will focus on the qualitative part,

because information that allows for comparisons among MSIs is scarce and difficult to obtain. Assessing MSI governance based on the three dimensions put forward by them (ibid) therefore assists with the analysis of the SQ 1, because it allows an investigation into the private sector's role in an MSI's formulation, implementation and monitoring of standards. These three dimensions then also assist with the analysis of the SQ 2a, as Hassan and Lund-Thomsen (ibid) argue that each of the three governance dimensions has an impact on workers' conditions in a GVC. Subquestion 2b will be answered by picking the most relevant targets contained in the six chosen SDGs, which should then enable a table to be produced where the contribution of each selected MSI to each of the six SDGs will be critically assessed. The chosen case study, as pointed out, is the Kenyan tea value chain. It is useful for this thesis, because not only has this methodology – to the best of the author's knowledge – not been applied yet, the chosen MSIs have also not yet been researched comparatively with regards to the Kenyan tea value chain. This allows and necessitates the case study design and the methodology section will go into further detail regarding the research design and methods applied.

This demonstrates the value of this research, as it seeks to apply a novel methodology to an area of high practical relevance that has not yet been studied using this approach. While part of this thesis focuses on a thorough review of literature and theories, it is crucial to highlight that the studied phenomena are nested in the real world. It could also prove valuable in the sense that it could guide students, researchers or practitioners as to how to use the methodology and analytical framework put forward by Hassan und Lund-Thomsen (2017). Moreover, this research could contribute to a novel field of enquiry by critically applying the chosen methodology as well as suggesting further areas of research within the topic of fair trade MSIs, particularly with regards to MSIs governing the Kenyan tea value chain. This demonstrates the value of this thesis and the need for this research. Lastly, this introduction outlines the structure of this thesis. The next chapter focuses on the research methodology. This includes a detailed description how the research question and subquestions will be answered as well as the research strategy, data collection techniques and the framework for data analysis. The

last section of the methodology then discusses the limitations and potential problems incurred while writing this thesis and addresses concerns of validity and reliability. The methodology chapter will be followed by the literature review and theory section, in which literature and theories pertaining to MSIs, CSR, GVCs and the SDGs, relevant for answering the research question and subquestions, will be examined. Next, the analysis chapter then seeks to answer the SQs, which in turn should allow the author to derive the necessary findings in order to answer the research question. Lastly, the findings will be summed up in the conclusion and recommendations for future research will be provided.

Methodology

Introduction

The methodology chapter focuses on outlining the research methods applied in order to answer the research question. To reiterate, the question focuses on: (1) the role of the private sector in MSIs' governance relevant to the Kenyan tea value chain, (2a) the sustainable development impact of these MSIs on workers in the Kenyan tea value chain and on the (2b) impact of these MSIs on SDGs number 1, 2, 5, 8, 12, 17. In particular, the methodology chapter will explain how the research question will be answered and why there is a need for empirical research to do so. As Hassan and Lund-Thomsen (2017) argue, their analytical framework and methodology developed to research MSIs in GVCs is a novel approach in MSI research. This is due to the fact that it combines two fields of enquiry that have seldom been researched in connection with each other: the governance processes involved in MSI initiation, implementation and monitoring linked to the subsequent effects of such initiatives on the base of export-oriented global value chains in developing countries (ibid). Their methodology influenced the design of this thesis, because, as will become apparent in the literature review and

further along this chapter, the governance processes in MSIs regulating fair trade standards have both direct and indirect effects on the base of these value chains. As such, a valuable aspect of the research conducted for this thesis focuses on SQ 1 and 2a, because understanding the role of the private sector in the governance processes in MSIs allows deducting the potential impact such initiatives can have in the real world. Subsequently, the SDGs may then also be used to assess the impact of the chosen MSIs, as these goals are of high practical relevance for both mapping and addressing complex challenges society as a whole faces. This demonstrates the relevance of the third research subquestion. This chapter is structured as follows. As a first instance, this methodology chapter will delve into the matter of philosophy of science. Then, the research strategy adopted will be defined to give the reader an understanding how the research question and subquestions outlined above will be addressed. Third, this chapter will touch upon the means of data collection employed in this thesis to identify how data will be collected and why this particular method was chosen. Fourth, the framework for data analysis will be listed to allow the reader to understand how the findings will be discussed. Lastly, the limitations and problems the research in this thesis has faced and may arise in due course of writing this thesis will be examined.

Philosophy of Science

Firstly, it is crucial to touch upon the considerations of research philosophy as this guides the chosen research strategy and methods (Saunders et al, 2009). The philosophy of science applied by a researcher contains important assumptions regarding the nature of knowledge as well as its development. More broadly, the research philosophy employed in this thesis depicts how the author views the world (ibid). A researcher's ability to be critical of his or her own views and assumptions about the world and subsequently understanding how this philosophy guides the choice of research methods and the focus in one's research is an important aspect not to be taken lightly or overlooked when conducting any kind of research. It contributes to others' as well as one's own understanding of how one perceives the creation of knowledge.

Furthermore, it allows a researcher to challenge one's own views and ultimately contributes to a better grounding in the world of academia. No philosophy of research shall be considered as being better than another (ibid). Rather, it should be acknowledged that each research philosophy has specific benefits, the application of which depends on the research question asked. When examining one's philosophy of science it is crucial to consider it along two axes: ontology and epistemology (ibid). Whereas the former concerns itself with the nature of reality as a whole, the latter describes what is considered as acceptable knowledge to a researcher. Ontology essentially deals with the central question of how one views the world. It can be differentiated between a view that purports that an entity or institution exists in a similar, objective manner or fashion regardless of how this entity or institution thinks about its own purpose (objectivism) and the view that the way in which it perceives itself guides its meaning and existence (subjectivism). In the case of MSIs the former could entail that the private sector has a similar, objective role in each MSI. This view would not further the research conducted for this thesis, as this would not necessitate any research into the role of the private sector in MSIs, as it is the same. However, if one were to apply a subjectivist perspective this would mean that the role of the private sector depends on how it thinks about itself and its own purpose in an MSI, which subsequently influences the kind of role it plays in MSI governance. As such, the author of this thesis puts forward a subjectivist ontology to guide this research.

On the other spectrum of the philosophy of science is epistemology, which defines the kind of knowledge that a researcher deems acceptable. Depending on the philosophy chosen for one's research, one may only deem observable facts as appropriate or only social phenomena and subjective meanings or a combination of the two. While delving into each research philosophy's epistemology would go beyond the scope of this thesis, it is still crucial to highlight the epistemology chosen for this research in order to understand the knowledge that the author deems acceptable. One of the philosophies of science particularly handy for this thesis is realism, which describes that what we hold for true and real is filtered through sensory experiences. Here, one separates direct from

critical realism. Whereas the former view postulates that our senses assist us with understanding the world accurately, the latter view is more critical towards them (ibid). Critical realism tends to be more aware and acknowledging of the social world in which we live, ascribing that to understand a phenomenon we experience everything through our senses and perceptions. This is particularly relevant when assessing the impacts of social structures in the social world – such as fair trade MSI standards. In the context of MSIs, critical realism then allows a researcher to acknowledge the social actors and structures that have given rise to workers in GVCs being marginalised and living in poverty. Applying critical realism entails that a phenomenon needs to be studied on multiple levels in order for it to be properly understood (ibid). The knowledge created from this multi-level analysis is filtered through one's own senses and perceptions. Whereas one may perceive an MSI standard to have beneficial impacts on workers in the Kenyan tea value chain, the critical realist's position is that this may only be true for the researcher who perceives it in this way, but the perceptions of the worker who is the standard taker may differ greatly. As such, the author of this thesis adopts a critical realist approach in order to allow challenging the knowledge that is created and the data that is made use of, because the studied phenomena are socially constructed and embedded in a social world. Considerations of research philosophy will feature throughout this methodology chapter. The next section describes the research strategy.

Research Strategy

The processes and impacts described in the literature review and theory chapter will be analysed based on the example of the Kenyan tea value chain in order to test Hassan and Lund-Thomsen's framework's validity as well as the applicability to MSIs in a different value chain. Their framework and methodology was developed to analyse MSIs in the GVC for fair trade footballs, only produced in Pakistan. Hence, there is a need for conducting research into a different value chain, because their methodology is novel and has – to the best of the author's knowledge – not been applied yet. In particular, MSIs in the Kenyan tea value chain have not yet been analysed based on their framework and

with their methodology. By combining theory with practice this thesis aims to provide a fuller picture of fair trade MSIs in the Kenyan tea value chain and thus contribute to deepening the understanding of the private sector in such MSIs as well as contribute to Hassan and Lund-Thomsen's framework and methodology by adapting and applying it to another value chain. As we will discover in the literature review, private self-governance initiatives, particularly corporate governance initiatives, have often failed to either take into account the needs of workers, for several reasons, such as due to a lack of on-the-ground experience or due to governance voids pertaining to the social and environmental impacts of global economic activities (Fransen and Kolk, 2007), which necessitates comparative research into MSIs' impact to take place. Another potential benefit of the research carried out in this thesis is that the findings from SQ 2b may be able to contribute to developing a methodology as to how the impact of such MSIs could be meaningfully measured using the SDGs.

As explained above, Hassan and Lund-Thomsen (2017) developed a methodology specifically intended for the analysis of the political processes underpinning the formulation, implementation and monitoring of MSIs on the one hand. On the other hand, they (ibid) argue that applying this methodology and analytical framework to understand these processes allows examining the potential impact these processes have on workers' conditions in export-oriented sectors in developing countries and emerging economies. They (ibid) further suggest a mixed methods approach based on three types of investigation that may be adopted to study MSIs in GVCs: explorative, quantitative and qualitative. The mixed methods approach entails a research strategy that combines two or more methodologies with the aim of avoiding methodological singularity in order to tolerate as well as demonstrate the potentially differing results from relying on one single method (Denzin, 1989). It is useful because it enables not only the application of both a qualitative and a quantitative approach, but also deriving the best from both of these approaches (Cresswell, 2003). As the focus of this thesis is on adapting their framework and methodology to another export-oriented value chain – the Kenyan tea value chain – it would be useful to combine these approaches. However, as

will be further discussed in the section on limitations and problems, it was impossible to conduct primary research given several constraints and the author therefore had to opt for an explorative literature study in combination with a qualitative part relying on secondary research. Hence, this thesis could still be regarded as adopting a mixed methods approach between a pure literature review and a qualitative method, as empirical data is also used, but as the theory is not yet enough developed and researched, Hassan and Lund-Thomsen (2017) suggest to design a thesis with a large explorative part.

For this purpose, Hassan and Lund-Thomsen (2017) first suggest exploring the literature on GVCs, CSR and MSIs in great detail. Further to this, the literature review chapter will also feature a review of the literature underpinning the SDGs in order to answer SQ 2b. The literature review thus aims to delve into theories and papers that focus on MSI governance processes and how their impact may be assessed. Whereas the research interest should be clear at this point, it is still crucial to highlight the chosen approach to implement this research. In addition to the large explorative part, a qualitative review of secondary sources – annual reports, research papers and reliable anecdotal evidence – informs the analysis of the research question in order to substantiate the theoretical standpoints with practical examples to examine validity in the real world. Thus, while the literature review should provide a comprehensive picture of the theoretical underpinnings of (1) the role the private sector plays in MSIs, (2a) the impact fair trade MSIs have on workers' conditions in the Kenyan tea value chain and (2b) how this impact may be assessed in relation to the SDGs, the qualitative research will be carried out on the basis of a comparative, multiple case study (Eisenhardt and Graebner, 2007). This design allows analysing the studied phenomena – in this case MSIs in GVCs – in the real-world context in which they occur (ibid) by assessing evidence from secondary sources that focus on fair trade MSIs in the Kenyan tea value chain. While single case research may focus on a single MSI in a GVC, the research strategy adopted for this thesis aims at studying the role of the private sector in governance processes of selected MSIs in the same value chain for the purpose of deriving the potential impact of

such initiatives. Hence, a comparative, multiple case study design may enable understanding the factors that determine why a particular MSI achieves a better effect for workers than another MSI in the same value chain. Subsequently, it may demonstrate what role the private sector can take in such MSIs in order to arrive at the best possible outcome for workers' conditions in these value chains. Such a design may allow a clarification of contributing factors and crucial roles played by the private sector in such initiatives for positive impacts (Yin, 1994). Due to a lack of research related to MSIs in the Kenyan tea value chain, this case study is of exploratory nature (Biggam, 2015). Simultaneously, while it may be an incomplete study of fair trade MSIs pertaining to the Kenyan tea value chain due to the lack of primary research, this thesis warrants an exploratory case study design, because this will hopefully encourage further larger-scale, field-based research into these cases. As such, this thesis also aims to propose research questions or areas for future studies (Yin, 1994). The case study approach, though overused in business and development studies, can and should be applied, because the phenomenon in question has not been researched yet in relation to the Kenyan tea value chain (Dul and Hak, 2007). Thus, exploratory research is required that may in turn contribute to theory development and future research ideas (ibid).

This approach tweaks the methodology and research framework put forward by Hassan and Lund-Thomsen (2017). However, this is necessary and they (ibid) in fact encourage researchers and students who adopt their methodology to change it based on their needs. As such, their methodology is only guiding the research design of this thesis, but is not taken over without adjustments, as they created it based on the value chain for fair trade footballs in Pakistan. This sheds light on the research strategy, but warrants further explanation regarding the choice of sample MSIs to analyse. For this comparative, multiple case study design the sampling strategy will follow an information-oriented selection of critical MSI cases to research (Flyvbjerg, 2006). Similar to the choice of a multiple case study design because of its better generalizability and increased accuracy (Eisenhardt and Graebner, 2007), the cases – MSIs - are selected because they (i) seem promising with regards to the availability of information and (ii)

allow critical evaluation that enable logical deductions (Flyvbjerg, 2006). To answer SQ 2a and 2b that centre on impact, Hassan and Lund-Thomsen (2017) suggest a maximum variation case study design (Flyvbjerg, 2006). However, this would necessitate the comparison to focus on the conditions of workers employed in conventional tea farming vis-à-vis the workers in tea farming governed by MSI fair trade standards only. As this thesis aims to compare the impacts from different MSIs in the Kenyan tea value chain it is thus more useful to obtain critical cases, because these should allow generalisations of the conditions that need to be fulfilled in order for an MSI to have the best possible impact in such value chains (Flyvbjerg, 2006). While the comparative nature of SQ 2a and 2b still necessitates a brief outline of the working conditions prior to the implementation of the chosen MSIs in order to make such comparisons, most of the analysis will focus on comparing the MSIs. Thus, the six fair trade MSIs governing standards in the Kenyan tea value chain chosen for examining the RQ are as follows:

Fairtrade International (FLO)

Rainforest Alliance

Ethical Tea Partnership

Ethical Trading Initiative

Fair For Life (IMO)

IDH Sustainable Trade

On the one hand, these were chosen due to the information orientation outlined above. On the other hand, these six could be found on the packages of international western tea brands and upon preliminary research all qualified as MSIs based on the characteristics defined in the literature review, thus warrant further analysis into the private sector's role in their governance processes as well as their impact. If it emerges in due course of the analysis that there exists too little information on one or several of the chosen MSIs, or if in fact one or several of them are not active in Kenya then the contingency strategy is to remove them from the analysis. However, based on

preliminary assessment all six of them should have operations in Kenya. Thus, if any of these changes need to be made in due course of writing this thesis then it will be indicated so. UTZ, a crucial standard-setting MSI that also operates in the Kenyan tea value chain has been ruled out as it merged with the Rainforest Alliance in January 2018 (UTZ, 2018). The tea value chain was chosen due to a personal affection for Kenyan tea by the author and because it fitted well with the analytical framework put forward by Hassan and Lund-Thomsen as it focuses on export-oriented sectors in developing countries. Further to this, little empirical research exists in this particular area where MSI governance processes are combined with their effects, but it seems that Kenya is suitable for a case country for MSIs governing standards in an export-oriented value chain as the country is large in terms of size and population, is among the world's biggest producers and exporters of tea and the language spoken is English. The next part of this chapter focuses on the data collection methods.

Data Collection

Initially this thesis aimed to obtain primary empirical data, but as will be further discussed in the limitations section, this was impossible to achieve without traveling to Kenya for field research. This section will outline where data will be obtained from, the intended sample size and sampling technique and how the data will be used and extracted. Data will be obtained from secondary sources, particularly organisational reports and documents from the selected MSIs, peer-reviewed journal articles and reliable internet sources such as reputable media outlets. In particular, this will involve searching the publications section of each of the chosen MSI secretariat's website to find out basic information relating to each MSI's governance dimension identified by Hassan and Lund-Thomsen (2017). For legislative governance, this entails finding information relating to the MSI formulation process, with regards to who was involved in formulating the standards and which role the private sector took during this phase as well as the factors that determined their role. At this point, the chosen research philosophy's influence on the research design and analysis becomes evident again, as

the subjectivist nature of this research guides how the author perceives that there are differences with regards to how different MSI actors think about themselves and their roles. Finding out this information is crucial for answering the RQ, as an examination of the stakeholders involved in the decision-making process leading up to standard formulation assists with determining the role of the private sector as well as the potential impact of an MSI on Kenyan tea farmers. This is because if they were not included in this phase then an impact may be that their voices and challenges may not have been fully taken into consideration. For executive governance, this requires collecting data relating to the implementation of an MSI standard on the ground and whether it has been fully implemented. This entails finding information relating to the extent to which each MSI standard has been implemented at Kenyan tea farms as well as at processing factories. For judicial governance, this necessitates data collection focused on the compliance and monitoring systems in place and the mechanisms that come into play in case of non-compliance. For the chosen case, this means discovering how the implementation of a standard is monitored at tea farms and processing factories to ensure compliance.

As pointed out, the data collection focuses on secondary sources. To answer each SQ and each of the dimensions of MSI governance the MSI secretariat websites will be searched as well as any official documents published by the MSIs themselves. Once all relevant, official information has been obtained, the collected data will be compared with other sources such as peer-reviewed academic journal articles and newspaper articles relating to the chosen MSIs relevant for each SQ in order to assess the validity of the information published by the MSIs themselves. As such, the data collection can be considered to employ the principle of data triangulation (Yeung, 2003). This avoids the potential pitfall of relying on just one source, such as annual reports published by the MSIs themselves, which may enable scrutiny to the point where the data obtained cannot be trusted. Triangulating the results obtained from a varied number of secondary sources addresses concerns relating to validity and reliability, because the claims made by any of these sources can then be verified based on the findings or claims about the

same matter in another source (ibid). Subsequently, this should provide a solid basis for the author to discuss the findings relating to all subquestions and in case of divergent claims made in the data, refer to other sources to verify whether there may indeed be false or inaccurate claims in any of the secondary sources. If this proves to be the case, triangulation then allows an investigation into how and why erroneous data may have been published.

The critical realism philosophy can in part be made responsible for applying triangulation. Because of the subjectivist nature of the knowledge analysed and developed to answer the research question and due to the belief that our experience of the world is first filtered through our senses and only then interpreted, it is crucial to not only rely on one source such as the MSIs themselves. Rather, to be able to challenge the assumptions made by one source based on the belief that their senses may have diluted their perception of reality, it is worthwhile to be adopting a critical realist perspective. The triangulation strategy will follow this pattern: First, official data and information published by the MSI secretariats themselves will be collected and analysed. Then, the claims made in these documents will be compared to information found in peer-reviewed, academic journals and articles. To finish the triangulation, it will be compared again to information published in the media or by stakeholders who may either participate in an MSI, such as NGOs, or fulfil an observational role in relation to the MSI in question. The sample size is six MSIs, but as pointed out in the section on the research strategy, with the sampling technique being information-oriented, as described in the previous section on research strategy, this entails that if too little information exists or an MSI does not operate in Kenya then the sample size may be adjusted. The sources chosen for informing this thesis can be justified by pointing out that the chosen sampling technique is information-oriented. This is due to the fact that MSIs tend to publish information about their standards and their governance on their websites. However, in order to address concerns of validity and reliability of the chosen sources, triangulation will be used to compare the information and deduct whether divergent

claims may be made in the literature and official documents. The next section outlines how the collected data will be analysed.

Framework for Data Analysis

As mentioned above, this thesis relies strongly on the analytical framework proposed by Hassan and Lund-Thomsen (2017) for the investigation of governance processes in MSIs in GVCs and their impact on the base of GVCs. They (ibid) suggest analysing the political processes involved in MSIs based on their legislative, executive and judicial governance, which in turn facilitates deriving the impact on the base of the value chain, as demonstrated in Figure 1.
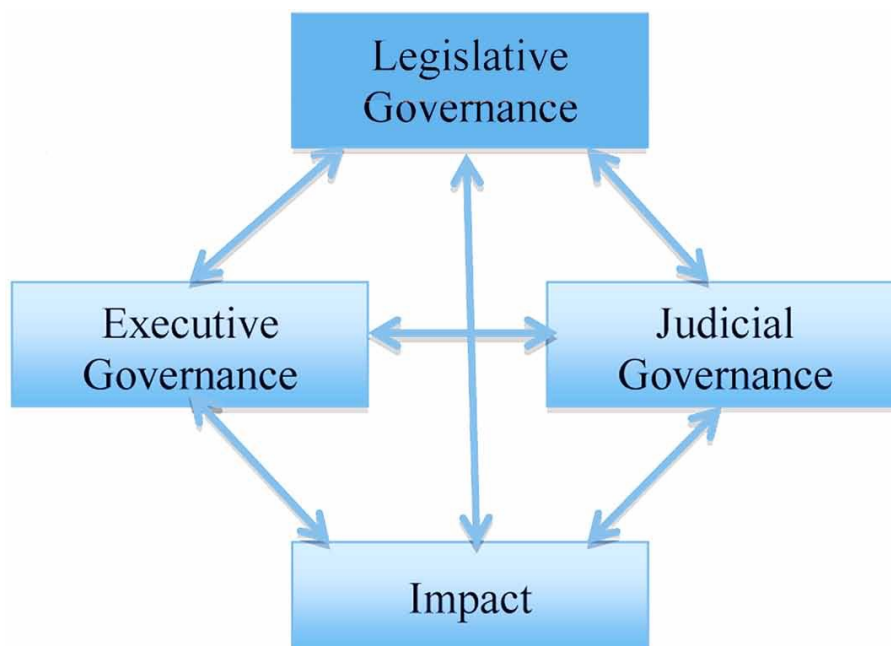

Figure 1. Source: Hassan and Lund-Thomsen (2017).

For SQ 1 this framework and the distinction between different types of governance is useful as it permits an analysis into several fair trade standards' governance processes to deduct the role of the private sector within them. Thus, the goal is to analyse the governance processes through which MSIs pertaining to the Kenyan tea value chain are formulated, implemented and monitored and the institutional context in which they are

embedded. This should allow deriving the role the private sector played in their development, starting from the point of inception. It is crucial to realise the role the private sector played in this phase of an MSI, because as we will discover in the literature review, private self-governance initiatives tended to be Northern/corporate-needs driven (Rasche, 2012). SQ 1 includes the current state of these MSIs as well, because it is also relevant to understand whether the private sector's influence on these MSIs has changed over time, for better or worse. Thus, to answer this question each of the selected MSIs will be assessed based on their legislative, executive and judicial governance at the point of their inception up to the present to understand both the historic and contemporary role of the private sector in each of these MSIs (Hassan and Lund-Thomsen, 2017). Examining these governance processes not only facilitates deriving the role the private sector played in each of the MSIs in question, but also facilitates answering SQ 2a, which will be further elaborated upon in the next section of the methodology chapter.

As will be discussed in the literature review, MSI governance also entails feedback loops and monitoring and compliance mechanisms that enable impact assessments of MSIs carried out by independent parties with the potential to influence each of the three dimensions of MSI governance (Hassan and Lund-Thomsen, 2017). In turn, each of the MSI governance dimensions influences the impact an MSI can have on tea farmers and processors. For SQ 2a it is crucial to find reliable sources that conducted such impact assessments on the effects MSIs have on the base of GVCs. Simultaneously, analysing each governance dimension for SQ 1 then also allows using this analysis to deduct each dimension's impact on Kenyan tea workers and farmers. Applying Hassan and Lund-Thomsen's (ibid) framework, evidence from the impact of fair trade MSIs governing standards for the fair production of Kenyan tea will be analysed based on their social, economic and environmental impact on workers at the base of the Kenyan tea value chain. By assessing the impact each of the selected MSIs has on them it should be possible to compare these MSIs' impact to derive the desired characteristics for the best possible outcome for the workers that labour at the base of the Kenyan tea value chain.

To answer the third SQ this thesis adopts an inductive approach based on SQ 2a's results, which entails listing every relevant SDG for the tea value chain as identified by IDH (2018b) and then using secondary research to compare the selected MSIs again based on each of these SDGs' targets. A table will be produced containing the results, which should also contribute to a better overview. As stated in the introduction of this thesis, the SDGs are universal goals that aim to address contemporary, complex challenges facing society as a whole and contain sub-targets for each of the goals. As using each target of each goal for the analysis would go beyond the scope of this thesis due to issues regarding the measurement towards each of the targets, this thesis will make use of the targets that are applicable to the MSIs examined. To illustrate, target 1.2 outlines that by 2030, the amount of people living in poverty should be cut in half (UN-DESA, 2018). There is no means by which to even approximate the contribution of the analysed MSIs to this target, as there exists a lack of quantitative data with regards to the exact poverty impact of each of these MSIs (Stathers and Gathuti, 2013). Moreover, SDG 17 contains 19 targets (UN-DESA, 2018). Again, analysing each MSI's impact on each of these targets would go beyond the scope of this thesis. While an attempt will be made to use all targets in answering SQ 2b, the targets for the chosen SDGs, which can be found in Appendix 2, actually made use of in this analysis are based on their usefulness to approximate the impact of the chosen MSIs on the selected SDGs. The aim is to use the sources and results from SQ 2a to answer SQ 2b. The next section outlines the limitations of this thesis.

Limitations and Potential Problems

Primary research was initially part of the research design, but since the author was unable to organise travel to Kenya to conduct field research due to a lack of funds and time constraints the design had to be shifted to rely mostly on the explorative part and qualitative part based on secondary sources. There was still an avid attempt to obtain primary data via internet communication, but it failed. Between December 2017 and early January 2018 the author contacted a total of 16 relevant stakeholders via email,

identified as crucial in order to conduct primary research, and proposed semi-structured interviews via Skype/telephone, or alternatively a questionnaire as well as the kind request for any kind of support for this endeavour. These included every secretariat of the six case MSIs, Western multinational tea sellers and packagers such as Unilever, Twinings, Marks & Spencer, Tesco, Kenyan organisations such as the Kenya Tea Development Agency, the East African Tea Trade Association, the Kenyan Agricultural Research Institute and the Kenyan Embassy to the Government of the Republic of Austria. A total of 4 replies were received, 2 of them explaining that they cannot offer support for student projects, the other 2 clarifying that they are only willing to cooperate if the research is conducted in Kenya and not via internet or telephone communication. Thus, the analytical framework and methodology had to be adapted to accommodate for this. As such, this represents a limitation of this thesis, because Hassan and Lund-Thomsen's (2017) methodology suggests obtaining primary data by speaking to stakeholders involved in MSI governance processes, relevant for SQ 1, and interviewing the workers at the base of the MSIs in question for SQ 2a. Simultaneously, this also offered the opportunity to design this thesis as an exploratory, multiple case study that permits a critical case sampling strategy and writing a chapter dedicated to future research recommendations. However, relying only on secondary sources entails problems related to validity and reliability as outlined in the following paragraph.

Validity and Reliability

Concerns regarding this research's validity can arise due to the chosen research strategy, data collection and analysis techniques. By using tried and tested strategies and techniques deemed appropriate for the kind of research carried out and correctly implementing them, the author hopes to sufficiently address such concerns. As outlined above, it was impossible to conduct primary research for the chosen case country without being physically present there. By applying triangulation the author hopes to still be able to produce valid empirical research, as the collected data is not simply believed and interpreted. Rather, triangulating the results hopefully increases this research's

validity by enabling comparisons between the claims made in different sources. As the qualitative part of this thesis uses only secondary research, certain problems arise related to reliability. These may be directed at the sources used to obtain this data. To illustrate, one could assume that the documents and reports published by the MSIs themselves may skew information pertaining to any of the three types of governance in their favour. In terms of their legislative governance, information about the stakeholders involved in the formulation of standards may be incomplete or false. As an example, certain farmer associations or tea processing factories may not have been sufficiently included in the formulation phase. In terms of their executive governance, false claims may be made relating to the inclusiveness of an MSI to be perceived as fully democratic. However, this may not be the case. To exemplify, while the tea farms may be subject to an MSI's standards, the processing factories may have been left out and thus would not be required to implement the standards included in an MSI's regulations. For judicial governance, a similar example may be used. While third-party auditors may check compliance at tea farms to assess whether they have successfully implemented the standard, the processing factories may not be subject to such monitoring. This demonstrates the limitations of this thesis. The next chapter will review available and relevant literature.

Literature Review and Theory

In order to further the understanding of the private sector's role in MSIs, this chapter aims at reviewing the available literature on MSIs, GVCs, CSR and the SDGs. First, this chapter provides a thorough review of MSI literature before moving to the other theories in the order just described. Of particular interest are studies and papers on the private sector's role in MSIs in order to be able to discuss the impact such initiatives have on workers' conditions.

Multi-Stakeholder Initiatives

Definition and Characteristics

To understand the impact of MSIs as well as the validity to classify the chosen fair trade standards as MSIs it is crucial to outline a definition of MSIs as well as their characteristics. There exists no agreed-upon, go-to definition, yet the term MSI is widely used and represents a fairly new phenomenon. To illustrate, Stern et al (2015) identified 15 different labels for initiatives, which can all be described as MSIs. It is crucial to note at this point that the provided definition of MSIs as a subject of study influences this entire thesis. Depending on the recited characteristics that define their categorisation and analysis some fair trade standards may be deemed eligible to be considered to be an MSI, whereas reliance on other definitions may in turn disqualify them for this thesis. This is a vastly important aspect not to be overlooked, as this affects both the analysis for SQ 1 and the comparisons for SQ 2a and 2b. So far, few researchers attempted to provide a short definition of what constitutes an MSI. Fowler and Biekart (2017, p.82) describe them as *"mechanisms to address complex societal problems whose causes span diverse institutions and whose resolution requires the alignment and application of different competencies and locations of authority and power."* This view can be contended, mainly relating to the claim of a diversity of entities included, as MSIs cover a range of different initiatives (Baumann-Pauly et al, 2017), however, tend to be industry-specific (Collins et al, 2017). Regardless, this description still contains a number of characteristics crucial for their definition. Given their name, MSIs unite a range of stakeholders for the purpose of introducing regulation – considered to be collective governance initiatives (Utting, 2002; Lundsgaarde, 2016; Stern et al, 2015) - to solve complex challenges, often referred to as 'wicked' challenges or problems (Fowler and Biekart, 2017). Wicked challenges are multi-faceted and require cooperation in order to be addressed or solved (Dentoni et al, 2016). As such, these initiatives, for the most part, seek to set transnational standards for business activities that have an adverse economic, social or environmental impact (Utting, 2002). At the very least, an MSI

should be made up of business and non-governmental organisations (Baumann-Pauly et al, 2017), however, ideally for an MSI, every stakeholder that could be affected by the activities an MSI aims to standardise should be invited to participate in an MSI from the start (Cheyns and Riisgard, 2014; Brouwer et al, 2016). Further to firms and NGOs, MSIs may unite – or be initiated by - labour unions, international governmental organisations such as UN bodies, state actors such as government policy makers and non-state actors such as civil society representatives or academics (Utting, 2002; Brouwer et al, 2016; Cheyns and Riisgard, 2014; OECD, 2016).

Pinkse and Kolk (2012) argue that MSIs address gaps previous partnership arrangements could not, relating to regulatory, participation, resource and learning deficiencies. As highlighted in this section, their emergence is, in part, due to a failure of old governance instruments to adequately address the contemporary challenges facing society at large (Rasche, 2012). Where existing public governance actors have failed to introduce or enforce necessary regulation to tackle complex challenges such as poverty, human rights and environmental protection (Bäckstrand, 2006), MSIs promise to set the rules required to fill the gaps these previous arrangements could not (Pinkse and Kolk, 2012). MSIs are thus considered to address *regulatory* gaps created by these governance voids, as they specifically target the limitations the 'old' actors were faced with (ibid). Further to this, and as briefly discussed in the paragraph about inclusiveness and representativeness, MSIs bridge a *participation* gap as they convene stakeholders that often hold contrasting opinions. The broad participation in MSIs also means that, at least in theory, conflicting demands can be addressed as all relevant parties have the possibility to voice their concerns, thereby allowing an MSI to take differing viewpoints into consideration and negotiate the best possible outcome for all stakeholders (ibid). Simultaneously, this enables knowledge transfer to take place (ibid). Further to these two gaps, MSIs allow all participants to contribute both tangible and intangible resources to tackle a complex development or sustainability challenges (Lundsgaarde, 2016). This means *resource* gaps that persisted in previous governance instruments, due to a lack of competencies that could not be sufficiently developed, can be met (Pinkse and Kolk,

2012). In MSIs, filling these resource gaps often entails a clear distinction of the stakeholders' functions as to which resources they contribute: While governments may provide financial resources, the private sector can provide expertise and specific knowledge and NGOs often possess localised knowledge and links to other relevant stakeholders as well as being able to take the responsibility of facilitating training activities (ibid). This contributes to our understanding of the potential role of the private sector in MSIs. Lastly, by engaging in MSIs, the involved parties may not just exchange knowledge, but also create new knowledge by setting novel rules and standards or inventing new – or repurposing existing technologies. This entails that MSIs address *learning* gaps that were characteristic of existing arrangements. However, Pinkse and Kolk (2012) highlight that the degree to which these *learning* gaps are filled depends largely on the commitment displayed by the stakeholders and the kind of MSI.

From this it becomes evident that one major characteristic of MSIs relates to inclusiveness, because in an MSI the stakeholders mentioned above can then come together to collaboratively set standards and exchange points of views, concerns and aspirations. The inclusiveness of MSIs also ensures that actors who may hold more critical views and who may have been excluded from previous partnership arrangements or governance initiatives can voice their concerns, thereby contributing to the overall quality and legitimacy of MSIs (Fransen and Kolk, 2007). This is particularly important for the legislative governance dimension of an MSI, as this relates to the standard formulation stage and depending on the authority the private sector has in an MSI it may not allow more critical voices to be heard as part of the legislative governance. As such, collecting data about MSI inclusiveness with regards to its legislative governance is crucial for answering both SQ 1 and 2a. Furthermore, inclusiveness is also a feature to be researched with regards to an MSI's executive governance. Depending on the stages at which an MSI is implemented this determines their impact and in turn contributes to answering SQ 2a. To illustrate, if an MSI standard only has to be implemented at tea farms but not at processing facilities, this could entail that there will be little impact felt by those working in the processing of fair trade tea in Kenya. As such, researching the

inclusiveness of each of the chosen MSIs with regards to legislative and executive governance is of paramount importance for answering all subquestions. For the SDG subquestion, inclusiveness may also entail a gender dimension. Another characteristic of MSIs that emerges from the literature just presented is the notion that these initiatives form on a voluntary basis according to a sense of shared responsibility (Lundsgaarde, 2016). A theoretical reason for their proliferation is their aim to tackle difficult sustainability or human rights challenges, because these challenges are too complex for a single entity to provide the solution (Nolan, 2013; Brouwer et al, 2016). MSIs thus are of great practical relevance, because they seek to fill governance voids in economic systems where other initiatives have failed or are missing (Utting, 2002; Zeyen et al, 2016). Further to creating a dialogue in order to fill such voids, MSIs are characterised by a set of mechanisms that allow them to ensure accountability, monitoring and implementation (Moog et al, 2015).

The research presented by Fransen and Kolk (2007) is particularly interesting as they argue that due to variations in stakeholder engagement in MSIs, theoretically and practically MSIs should be categorised along a spectrum of being less or more inclusive. They (ibid) further claim that simply understanding the contents of a standard does not suffice for MSI analysis, but rather that it is crucial to understand the inclusiveness of an MSI. This reasoning is well aligned with this thesis, as merely understanding the contents of the MSI standards researched still leaves little understanding in relation to the role of the private sector in - as well as the impact of MSIs. Further crucial aspects are the governance of MSIs themselves as well as their effectiveness at tackling complex problems. Both of this relates to the mechanisms they adapt, develop or employ as part of their legislative, executive and judicial governance. While the literature highlights inclusiveness as a key aspect defining MSIs, one has to wonder about their representativeness, which in turn also relates to MSI governance, discussed hereafter.

MSI Governance

MSIs are a collaborative governance instrument and simultaneously also establish governance mechanisms as they evolve. In order to function, MSIs require an agreed-upon set of organisational structures (Brouwer et al, 2016). Highlighting and elaborating upon MSI governance literature is thus highly relevant for this thesis, because it assists the author with the analysis of the private sector's role in MSIs as well as the impact MSIs can generate in GVCs. It further allows the reader to understand the setups of existing MSIs from a theoretical perspective, as MSI governance essentially defines the roles various actors can play in MSIs (Stern et al, 2015). They can be governed in a number of ways, such as via a coordination unit embedded in the organisational structure of a member, via an independent secretariat specifically set up for the MSI or via an organisation founded for its oversight (ibid). The latter, also referred to as backbone organisation (ibid), entails the setup of an organisation that has a coordinating and monitoring function for the entire initiative. Thus, it would consist of a number of employees with specialised skills. The governance structure thus defines the degree of institutionalisation of an MSI (Bäckstrand, 2006). In turn, the extent to which an MSI is institutionalised is contributing to its success (ibid). Lundsgaarde (2016) does not postulate that the more institutionalised an MSI is, the better it will perform, but its institutionalisation is still a contributing success factor discussed in further detail in the next paragraph.

Institutionalisation in this case refers to, on the one hand, clearly defining functions and responsibilities of stakeholders. On the other hand, it refers to adequate bureaucratic structures that are required to oversee and steer the activities and implementation of MSIs (ibid). The capacity of internal structures to capably coordinate interests, balance power and monitor implementation shapes the prospects of success. Beisheim (2012) attributes the allocation of necessary resources, tangible or intangible, to the governing structures of an MSI as a main building block contributing to their capacity. If an MSI establishes a secretariat or backbone organisation it is therefore crucial to ensure

adequate, stable funding in order for it to assume required management and outreach functions (Lundsgaarde, 2016). Understanding an MSI's institutionalisation can thus also be understood as contributing to its legislative, executive and judicial governance and in turn is crucial for answering the research question. It relates to legislative governance in the sense that a properly institutionalised MSI may be better equipped to be aware of each stakeholder that needs to be included in an MSI as well as the role each stakeholder should play, particularly important for this thesis as SQ 1 deals with the role of the private sector. This is also important in order to comprehend how the value chain that an MSI standard seeks to govern is set up in order to ensure that the standard is implemented at each stage of a GVC (executive) and how non-compliance is handled and by whom (judicial). At this point it is also crucial to highlight that Hassan and Lund-Thomsen (2017) regard the analysis of the institutional context in which an MSI becomes embedded as being of paramount importance to understanding MSI governance processes and effects, as well as the roles played by actors within these. Outreach is another crucial aspect of MSI governance as it can ensure sustained stakeholder participation in an MSI (Lundsgaarde, 2016). It is thus crucial to delve into MSI governance literature, because the way an MSI is governed allows determining the role the private sector played, both historically and contemporarily.

MSI governance thus relates to another characteristic outlined above – representativeness or inclusiveness. As Pinkse and Kolk (2012) argued, MSIs manage to fill *participation* gaps previous partnership arrangements failed to address. Hence, the organisational structure of an MSI is of paramount importance to determining the extent to which such *participation* gaps are addressed. While stakeholders with divergent opinions may be allowed to voice these, the way in which all of them are taken into consideration when formulating, implementing and monitoring an MSI is a defining feature of their inclusiveness (ibid). To illustrate, if a local stakeholder such as an NGO or smallholder farmer association is critical towards a policy contained in an MSI standard and wishes to adapt or change it, the way of handling their input decides whether an MSI sufficiently addresses such *participation* gaps. This does not, however,

imply that an NGO or labour association gets to determine changes to policies if unhappy. Rather, it means that MSIs need to develop mechanisms to ensure that every stakeholder's desire is heard and treated on an equal basis (Lundsgaarde, 2016; Collins et al, 2017). In this regard, it could also be counter-productive and foster unsustainable solutions if an MSI fails to include all relevant stakeholders and does not enable crucial consultations or discussions to take place as part of its legislative governance (Cheyns & Riisgard, 2014). Furthermore, the organisational structure then also determines the mechanisms employed to monitor MSI activities (ibid). In the case of fair trade MSIs, the backbone organisation, either itself or through a contractor, may monitor compliance with - and implementation of the agreed standards through certification schemes (Moog et al, 2015). One of the criticisms of MSIs is that while they may address participation gaps, their non-binding character is a challenge (Zeyen et al, 2016). Due to the fact that these are voluntary initiatives, some actors, particularly in the private sector, may only claim to follow an MSI's guidelines but may in practice fail to adhere to the standards. Judicial governance – the proper monitoring and devising mechanisms in case of non-compliance – may be useful to address these challenges. As part of the judicial governance, fair trade MSIs may offer implementing stakeholders – such as international tea sellers – to use their fair trade certificates on packaging only in case of full compliance with an MSI's standards.

This directly relates to another fundamental aspect of MSI governance: decision-making. In an MSI, decision-making should be designed as a bottom-up process (Pinkse and Kolk, 2012). If an MSI is institutionalised then decision-making follows formal rules and procedures, which in turn directly influences each of its governance dimensions. Firstly, the matter of who is allowed to take decisions and whether all stakeholders are equal in this process influences the legislative governance. As such, if the private sector plays an authoritative role in an MSI it may leverage this power to remove certain unwanted standards as part of the legislative governance. Similarly, if the private sector is in a position of power with regards to decision-making it may influence who carries out the monitoring of compliance as part of an MSI's judicial governance or determine whether a

standard has to be implemented in full. Thus, it is crucial that part of the analysis focuses on decision-making, as it not only illustrates the role of the private sector (SQ 1), but also determines the areas of impact of an MSI (SQ 2a and 2b).

At this point it may also be of importance to assess how different theories may contribute to the understanding of MSI governance and how these may be used to answer the research question. Zeyen et al (2016) argue that two theories may be useful to explain a supposed double nature of MSIs. On the one hand, MSIs define rules and standards that govern corporate behaviour. On the other hand, they are also the result of a willingness of actors such as the private sector to engage in purposeful behaviour. They (ibid) combine club theory with an institutional perspective to explain the motivations of different actors for joining, developing and staying in an MSI. Club theory may be useful to explain the motivations of different stakeholders for joining an MSI, because of perceived benefits of joining the club – here understood as the MSI. What club theory fails to explain is why an actor such as a firm may be willing to initiate an MSI or join earlier than others. Club theory purports that actors join due to perceived reputation gains, but it fails to explain why these are of such importance for MSI members. Zeyen et al (2016) argue that these issues may be explained with the combination of an institutional perspective. Institutional theory concerns itself with the analysis of how institutions – norms, rules and standards – influence the behaviour of stakeholders (ibid). In the context of MSIs, it may thus explain why companies may feel pressured or inclined to adopt or create certain standards and how the creation of MSIs may be regarded as institution-building in itself. While this theory advances the understanding of motivations, both club and institutional theory are not particularly useful for the RQ and SQs, as the studies conducted with the lens of either of these theories or a combination of the two hardly touch upon the different roles of MSI members or the impact on workers or sustainable development. It would thus be more important to make use of the characteristics of MSI governance such as inclusiveness, institutionalisation, decision-making and coordination mechanisms to answer the research question. Coordination mechanisms are part of MSI governance, but, as will be explored in the literature review

on GVCs, are also a major field of enquiry in the GVC literature (Hassan and Lund-Thomsen, 2017). As such, analysing MSI governance is essential for determining the roles the various actors within them play and MSIs' impact on workers and the SDGs. Closely related to MSI governance is MSI effectiveness, which is the focus of the next paragraph.

MSI effectiveness

Bäckstrand (2006) conducted research into income and outcome effectiveness of MSIs for developmental purposes. She (ibid) argues that two preconditions need to be fulfilled in order to ensure effective MSIs: First, their institutionalisation, understood differently by her than the institutionalisation described by other authors in the governance part, as she links this to MSIs' connections to the targets contained in multilateral agreements. Second, the extent to which MSIs mobilise funds for sustainable development outcomes determines their effectiveness (ibid). Returning to the first point raised by Bäckstrand, it could be argued that the kind of institutionalisation described by her is external in nature and can be linked to the institutional context and embeddedness rather than governance. Lundsgaarde (2016) argues that understanding the institutional setting or context in which an MSI becomes embedded is crucial for an MSI's effectiveness. Given the fact that there already exists a myriad of governance instruments and partnership arrangements for setting global or industry-specific rules (Mayer and Gereffi, 2010) with the aim of tackling similar challenges, it is important for an MSI to understand its place within them, particularly when it involves an implementation element on a country-to-country basis (Lundsgaarde, 2016). Thus, an effective MSI needs to comprehend that it does not act in solidarity or replace these arrangements, but rather that it complements them and as such this needs to be considered from the very start of designing an MSI (ibid). Thus, it could be argued that Bäckstrand addressed context rather than institutionalisation with her first point.

More aligned with the institutionalisation and governance discussed in the MSI governance part and directly linked to MSIs' abilities to mobilise funds is the second precondition identified by Bäckstrand above (Lundsgaarde, 2016). On the one hand, MSIs' abilities to obtain financial resources relate to institutionalisation in the sense that they should have clearly defined roles and tasks for its constituents as well as adequate organisational structures in order to advise and monitor implementation (ibid). On the other hand, the capacity for funds mobilisation relates to governance, because an MSI's decision-making mechanism determines how to use the financial resources available. Hence, context-specificity, institutionalisation and governance are determinants of MSI effectiveness. The comprehension of the determinants that constitute an effective MSI thus feeds into understanding the role of the private sector as well as the potential impact of an MSI. To illustrate, the institutional context may be a contributing factor to the authority the private sector may have in an MSI as its role and power in local, national and GVC contexts may influence the authority of third-party actors contracted to monitor compliance as part of an MSI's judicial governance. This in turn may affect the potential impact on workers and sustainable development, because such contextual factors may determine whether implementation is adhered to or properly monitored, for example in case there is a myriad of such standards in place and a diffusion of norms takes place (Utting, 2013).

Due to a generally poor record of effectiveness associated with MSIs created for achievement of the SDGs, Fowler and Biekart (2017) argue that the coordination unit plays a pivotal role in those MSIs. They (ibid) claim that in order for an MSI to function well, the coordination or interlocution unit must possess a number of competencies such as institutional and governance awareness. While Klingebiel and Paulo (2015) call for this function to be fulfilled by governmental or multilateral institutions such as UN agencies, Fowler and Biekart (2017) contend that the institutional location of the coordination unit must be chosen in consideration of both the international and the national institutional context(s) in which an MSI operates. In the case of the fair trade MSIs examined as part of this thesis, it is thus crucial to understand the role of the

private sector in those MSIs' institutional environments as well as vis-à-vis the coordination function, as this not only has a potential effect on MSI impact, but also on the role the private sector plays in MSIs. While fair trade MSIs are not specifically set up for the SDGs, their definition, as outlined in the introduction of this thesis, includes a sustainable development focus. As such, it can be argued that they also play an important role in SDG implementation and achievement. Understanding how effective or ineffective an MSI is relates to the issue of measurement. While SDG measurement will be discussed in the section on the SDGs, it is important to highlight at this point that apart from Hassan and Lund-Thomsen's methodology and analytical framework, no MSI measurement tool focuses on the impact of an MSI on intended beneficiaries (Stern et al, 2015).

To sum up, this section discussed the characteristics and origins of MSIs. It then continued with an examination of literature and theories pertaining to MSI governance and effectiveness. Key takeaways from this section should be that the role of the private sector in an MSI can be analysed by focusing on its legislative, executive and judicial governance and assessing the inclusiveness, institutionalisation and the institutional context of an MSI. Simultaneously, an investigation of these issues should allow deducting the impact of MSIs on the intended beneficiaries of fair trade MSIs as well as the SDGs. In this section it also became evident that there exists a substantial lack of research into the role of the private sector in MSIs and that the strengths of an MSI, such as it uniting a broad range of stakeholders to address concerns and challenges, can also be a true limitation to their effectiveness and intended impact (Pinkse and Kolk, 2012; Utting, 2015). Critics of MSIs addressed their effectiveness, among others, particularly relating to MSIs for the SDGs if they are set up without sufficient focus on the importance, attributes and role of the coordination unit (Fowler and Biekart, 2017). Furthermore, critics such as Biermann et al (2007) argue that the *participation* deficit that MSIs address may result in actors not willing to implement the standards initially set out due to opposing interests, which may lead to a watering-down of rules. In turn, this may result in a lack of sufficient regulation of the governance voids initially intended to

address (ibid). The *participation* deficit may also skew MSIs in favour of Northern/corporate interests due to a lack of adequate resources by developing country stakeholders to engage meaningfully in an MSI (Rasche, 2012). Other contestations of MSI theory relate to their inclusiveness: Whereas Fransen and Kolk (2007) argue that an MSI, while it can still be considered an MSI due to its broad definition, tends to lack inclusiveness and as such may result in power imbalances, Cheyns (2011) claims that the outcome of this lack of inclusiveness is that MSIs may be more concerned with institution-building rather than actual impacts. Cheyns and Riisgard (2014) further contest that the potential exclusionary effects due to power and resource imbalances may result in substantial problems related to the legitimacy of standard-setting MSIs. Lastly, Collins et al (2017) voice concerns related to the accountability mechanisms of MSIs. In the context of this thesis, the studied fair trade MSIs offer those that implement their standards the usage of a logo on their products, which will form part of the analysis of Subquestions 1 and 2a. The next section briefly touches upon GVC theories and literature.

Global Value Chains

Since the adapted methodology by Hassan and Lund-Thomsen (2017) assesses MSIs in GVCs, there is a rationale for also touching upon GVC theory in this thesis. As a dominant strand of research nested in the international political economy, GVCs have reached a mature state of research, as they receive significant attention from academics and (inter)governmental organisations (Neilson et al, 2014). GVC theory describes the recent reconfiguration of the global economy that took place as a result of globalisation (ibid). More precisely, it is concerned with the description and analysis of this phenomenon, which saw dispersed consumers and producers linked up by lead firms. Their name stems from the fact that these lead firms, while shifting the geographical location of their productive capacities seamlessly around the world, managed to coordinate a myriad of economic actors in order to retain the value. In short, while production was often outsourced from industrialised to industrialising and emerging

economies, their setup entailed that the value-added activities, and thus the capture and creation of value, was retained within the lead firm (ibid). To illustrate, much of the economic uprising of developing countries in, for example East Asia, has been attributed to this notion of firms in these countries being given the opportunity to participate in GVCs as they benefit from the high rates of consumption in the West (ibid). Gereffi (1995) laid the groundwork for GVC analysis, as he asserted that GVCs possess four analytical dimensions: (1) an input-output structure, (2) territoriality, (3) a governance structure and (4) an institutional dimension. Indeed, much of the research on GVCs has since focused on the governance dimension (Neilson and Pritchard, 2011). In their research, Neilson and Pritchard (ibid) focused on the global coffee and tea industry, themselves qualifying as GVCs, stressing that in the case of tea, less than ten per cent of the actual retail value is retained in producer regions. As such, most of the value is created and captured by non-producer stakeholders (ibid). Their (ibid) work is particularly noteworthy and relevant for this thesis, as they argue that the restructuring of the global economy may hit the poorest the hardest and refer to this as 'value chain struggles'. They suggest that this restructuring has led to MNEs, such as international supermarket chains and brands, dictating trade relationships as they capture most of the value of commodities such as tea, thereby shifting the power relations and income distribution in such GVCs (ibid).

This relates to value chain governance, because the configuration of these industries is a product of how these industries are governed. In other words, depending on who takes a leading role in a GVC this affects workers' conditions, the structure of industries and the developmental process of countries overall (Gereffi et al, 2005). While it focuses on quality standards, the work of Ponte and Gibbon (2005) is also noteworthy, because they argue that standards are an element of GVC governance. They (ibid) use insights from convention theory to proclaim that the success of lead firms depends on their ability to manage and conceptualise quality characteristics. As such, they also make the argument that these standards may also govern the socio-economic conditions that are part of the production process (ibid). At this point the connection between GVCs and the

kinds of MSIs in question – those governing fair trade standards – should become evident. GVC theory not only assists with furthering the understanding as to why MSIs started emerging, but the governance dimension in particular contributes to the analysis of the role of the private sector in the Kenyan tea value chain as well as the impact of MSIs. Mayer and Gereffi (2010) argue that the success of private governance initiatives in GVCs is dependent on the degree to which the interests of the lead firm can be reconciled with the social and environmental challenges such initiatives aim to address. This is noteworthy, as it furthers the rationale and need for conducting research into the role of the private sector in MSIs as well as their impact on social and environmental challenges.

The central question that arises at this point relates to whether value chain governance impacts MSI governance and if so, in what way. This notion will be explored in the analysis chapter, as the role of the firms involved in the Kenyan tea value chain will be examined. Thereby, it should be possible to deduct whether the governance of the Kenyan tea value chain has an effect on the role the private sector plays in MSIs aiming to govern this value chain as well as the impact these MSIs have on their intended beneficiaries as well as the SDGS. Neilson and Pritchard's (2011) notion of value chain struggles negatively affecting producers in the global South is also highly relevant for answering the research question and will be used to inform the analysis. In their paper, Hassan and Lund-Thomsen (2017) highlight the literature that examined collaborative governance in GVCs, hence arguing for the relevance of examining these two phenomena in conjunction. Simultaneously, one has to remain critical and not equate GVCs to MSIs, as they are not the same and not all MSIs are industry-specific (Mayer and Gereffi, 2010). MSIs may be the product of consultations and/or discussions that took place in GVCs, but still are not to be equated with MSIs. Hassan and Lund-Thomsen's (2017) framework can also be scrutinised at this point, because in their paper they jump from collaborative governance in GVCs to saying that they extend Tallontire's (2007) work on MSI governance processes, but fail to mention that MSIs are a collaborative governance instrument, thus not all there is to collaborative governance.

However, this should be crucial to highlight. To sum up, GVC theory and governance literature is useful when applied to MSIs, because it assists with the understanding of the Kenyan tea value chain in particular and contributes to answering the RQ by positioning the private sector in a pivotal role for managing and defining standards within them. The next section features theories and literature around CSR and will be followed by the literature underpinning the SDGs.

Corporate Social Responsibility

This chapter focuses on the concept of CSR and its relevance for answering the research question. As the focus is on the private sector's role as well as the impact of fair trade MSIs, of which an essential stakeholder are also companies, it is important to review the literature and theories underpinning the concept of CSR. In other words, it is theoretically relevant because the private sector's involvement in MSIs can be described as part of their CSR (Fransen, 2018). First, it is crucial to provide a definition of CSR, before briefly touching upon the different schools of thought CSR has spawned and the nature of CSR in developing countries as well as the link to MSIs. One popular and widely used definition is the one by the EU Commission, which describes CSR as: "*the responsibility of enterprises for their impacts on society […], with the aim of: maximising the creation of shared value for their owners/shareholders and for their other stakeholders and society at large; identifying, preventing and mitigating their possible adverse impacts*" (EU, 2011, p.6). It has to be highlighted at this point that there exists a myriad of definitions of CSR and the different definitions can also be attributed to contending schools of thought involved in CSR. Another way to think about CSR is the concept of 'political CSR', which, in essence, aims to describe the phenomenon that firms are no longer to be considered purely economic actors, but also produce public goods in their endeavour to behave socially and environmentally responsible and as such also become political actors (Scherer and Palazzo, 2011). As this thesis has a developing country focus, it is also crucial to stress that another school of thought in CSR is one that focuses on CSR from a developing country perspective. In this case, it

can be understood as a form of imperialism linked to the governance dimension of CSR. As private governance initiatives started off as codes of conduct that were drafted and imposed on developing country firms by the lead firms in a GVC (Mayer and Gereffi, 2010; Rasche, 2012), which were mostly from the North, CSR could also be understood to have imperialistic tendencies due to these initiatives being Northern-driven (Khan and Lund-Thomsen, 2011). This can partly be attributed to a lack of stakeholder consultation in these initiatives (ibid).

One last school of thought that may be worthy of noting is the managerialist perspective, also referred to as the 'business case' in CSR. This perspective emphasises that the consideration of the social, environmental and economic effects of business activities should rely purely on whether there is a business case for it. In other words, if the engagement in responsible behaviour can produce a commercial advantage then it is desirable. This school of thought appears to have specialised in stressing win-win situations, but seldom focuses on areas of neglect. Rather, there is a tendency to frame the debate purely around those issues that are commercially advantageous (Blowfield and Frynas, 2005). In the business case of CSR, an inherent notion is that free trade produces ethical outcomes (ibid). This view should be critically contested, however, because free trade gave rise to fair trade due to the fact that little to no social or environmental protection took place in free trade arrangements (Nelson and Pound, 2009). Whereas there exists number of further schools of thought that have not been mentioned, highlighting all of them would go beyond the scope of this thesis. This section serves the purpose of underscoring the different approaches to CSR that exist both in academia as well as among practitioners. It can be argued that the way businesses think about CSR determines the extents to which they engage in it as well as the issues they tend to focus on. It can even be argued that depending on the understanding of CSR put forward in this thesis, corporate engagement in MSIs may not be understood as part of their CSR. Generally, even two of the main international business journals – the Journal of World Business (JWB) and the Journal of International Business Studies (JIBS) – have been found to neglect literature on CSR

and sustainable development between 1990 and 2008 (Kolk, 2016). In essence, however, CSR can be an instrument for getting businesses involved in GVCs to contribute to development (Blowfield and Frynas, 2005). One aspect of CSR highly relevant for this thesis is its connection to governance. As noted in the paragraph about the imperialistic school of thought in CSR, standard-setting initiatives to govern the behaviour of stakeholders involved in a GVC tended to neglect stakeholder interests (Khan and Lund-Thomsen, 2011). This can be attributed to the fact that these initiatives were firm-specific, therefore much of the power rested with firms from the North. MSIs can thus be regarded to address this concern due to them being collaborative governance -, rather than corporate governance initiatives. In theory, MSIs unite the views and interests of all stakeholders involved in a GVC to tackle challenges by setting standards for the benefit of previously marginalised and poor producers, among others. Of course, academics also argued that it is important to be aware of the limitations of such forms of governance and their impact on the agendas of international organisations (Utting, 2015). Altogether, this section sought to provide a brief overview over the vastly different perspectives in CSR and how these may influence how the private sector perceives its role in MSIs as well as how this may affect the issues that an MSI wants to regulate. If a business perceives its societal role as merely one that stresses only win-win situations, then it may be difficult for other stakeholders to argue for a comprehensive inclusion of the SD challenges that an MSI seeks to address. The gain from this section is that analysing the role of the private sector relies on understanding how it perceives its role in tackling the challenges a society faces as well as within the GVC in which it operates. The next and final section of this chapter touches upon the literature on the SDGs.

Sustainable Development Goals

To understand the SDGs one has to first understand the concept of sustainable development. The introduction chapter provided the go-to definition for SD, coined in a paper published as part of the Brundtland Commission in 1987. In addition to this

definition, the original paper published in 1987 also included the dimensions of the needs of the world's poor as well as an environmental dimension, which most recitals of this definition fail to mention (WCED, 1987; Barkemeyer et al, 2014). In recent years, some of the academic literature on MSIs has also focused on their connection and relevance to SD, which raises the question of what can nowadays still be considered sustainable development. Barkemeyer et al (2014) argue that SD conceptualisations have been altered significantly since the Brundtland Commission, which they attribute to a corporate orientation contained in key business guidelines for responsible business behaviour. Such guidelines include the UN Global Compact, the OECD Guidelines for Multinational Enterprises or the CERES Principles, to name a few (ibid). They (ibid) assert that the needs of the poor, and social aspects of SD more broadly, fail to be included in these guidelines. This begs the question whether this tendency has had any impact on the design and implementation of MSIs. However, studies assessing this notion do not exist yet. One recent way to instrumentalise SD was found by governments and the UN with the introduction of the SDGs in 2015. This agenda, briefly explained in the introduction chapter, positions the private sector on par with governments and civil society to achieve the 17 goals set out (Scheyvens et al, 2016). In the context of this thesis and in light of the fact that fair trade MSIs describe themselves as contributing to SD, the SDGs will be used as instrument to measure the contributions of MSIs to sustainable development as part of SQ 2b.

While some recent research has focused on the role of the private sector for the SDGs (Scheyvens et al, 2016; Kolk et al, 2017), little research exists that connects MSIs to the SDGs specifically. Two works that have already been mentioned are Fowler and Biekart (2017) and Klingebiel and Paulo (2015), who focused their research on the coordinating or 'orchestrating' function they deem as crucial in order to ensure effective MSIs for the SDGs. This is striking, however, as MSIs are even mentioned by name within the targets for SDG 17 – partnerships (UN, 2015). As such, part of answering SQ 2b will concern itself with assessing the relevance of MSIs for implementing the SDGs. To reiterate, SQ 2b will predominantly feature an attempt to posit the impact of the selected MSIs,

deducted in SQ 2a, in the realm of 6 SDGs chosen for their relevance for the tea value chain. These are: SDG 1 – poverty eradication, SDG 2 – zero hunger, SDG 5 – gender equality, SDG 8 - decent work, SDG 12 – responsible consumption and production and SDG 17 – partnerships (IDH, 2018b). Hence the targets and indicators as well as methods for measurement contained in guidelines and frameworks for assessing the contribution to the SDGs will be used in this endeavour. The next chapter focuses on answering the research question and subquestions and features the empirical analysis and findings chapter of this thesis.

Analysis

This chapter concerns itself with the application of the chosen methods and theories in practice and will be structured as follows. First, the reasons for cutting down the selected MSIs to 4 out of 6 will be provided. The second section then attempts to critically evaluate SQ 1 and 2a relating to the private sector's role in fair trade MSIs in the Kenyan tea value chain as well as those MSIs' impact on farmers and workers in Kenya. For this matter, the analysis will examine each MSI based on its legislative, executive and judicial governance in order to derive these answers. The second part of the analysis will be rounded up by a comparison between the private sector's role in those MSIs and their subsequent impact in order to derive analytical and potential empirical findings. In the last section, this chapter focuses on answering SQ 2b by examining the selected MSIs' impact on each of the chosen SDGs. For this purpose a table will be produced and the implications discussed.

As mentioned in the paragraph above, two of the MSIs initially selected for this research had to be disregarded upon further investigation. The reasons for this decision will be given hereafter. The first fair trade MSI to be disregarded for this thesis is the Fair for Life certification standard overseen by the Swiss Institute for Marketecology (IMO). It qualifies as an MSI and may be an interesting standard to research due to the

certification itself being provided for free (IMO, 2018). Its standard refers to a broad range of issues that have to be addressed for certification such as social and environmental responsibility, local impact and supply chain management (Fair for Life, 2017). Furthermore, it refers to other standards and regulatory frameworks indicating that these guided their own standards – perhaps due to Fair for Life being a fairly new MSI - including all of the selected MSIs for this thesis with the exception of the Ethical Tea Partnership as well as the ILO core conventions to ensure workers' rights (ibid). One issue that emerged during the preliminary research of this MSI relates to the fact that firms are allowed to use the seal even if not all of the ingredients have been subjected to the standard (ibid). In the case of tea, which, when pre-packaged in separate tea bags, is mostly sold as blends of dried and processed tea leaves from several regions or farms, this could entail that some farmers have to adhere to – and may benefit from the standard, whereas other farmers who provided ingredients for a product that carries the Fair for Life seal may not have been subjected to the standard. This can be seen as problematic, as this means that the seal can be used despite not all of the farmers who contributed to a product having benefited from the standard and would warrant further research into the impact of this approach. The decision to disregard the Fair for Life standard is based on the fact that it does, so far, not certify any teas coming from Kenya (Fair for Life, 2018). As such, it cannot be used for the analysis of the chosen case.

The second MSI that had to be disqualified for the research employed in this thesis is IDH Sustainable Trade. Though it also qualifies as an MSI, IDH does not offer any certification (IDH, 2018a). The rationale they give for this decision is that their aim is to move beyond certification and instead work with a broad range of partners on issues pertaining to SD and workers' rights in an array of sectors, including textiles, tea, soy, cocoa or coffee, to name a few. Indeed, they possess a broad body of specific knowledge relating to tea and even run a 'Kenya Tea Program' together with the Rainforest Alliance, Unilever and the Kenya Tea Development Agency (IDH, 2018b). As part of this program they co-organise Farmer Field Schools (FFSs) with the Rainforest

Alliance, ETP and KTDA in order to train and certify as many members of KTDA as possible - over half a million tea farmers in total – in sustainable agricultural practices (ibid). These Field Schools can thus also form part of the Rainforest Alliance and ETP certification process. FFSs result in higher yields, better environmental protection due to less water pollution as well as increased profitability for farmers who participated (Bergman et al, 2016). Moreover, IDH's aim is to leverage its position as MSI to form partnerships with companies and institutions similar to the 'Kenya Tea Program' in order to advance sustainability in the tea sector. Not only are they a co-organiser and founding member of the globally unique 'Team Up' conference – a conference solely focused on issues in the tea sector - that convenes tea producers, packing companies as well as development organisations and NGOs, in 2017 they also organised the first 'Team Up Africa' conference, which concentrated exclusively on issues in the African tea sector, held in Kenya (IDH, 2017a). They regularly commission detailed and focused studies into issues such as a study and training manual to address gender-based violence in the Kenyan tea sector in 2017 (IDH, 2017b) or a study into the external costs of conventional tea farming in Kenya versus external costs of tea produced by attendants of the FFSs (Bergman et al, 2016). Thus, while some of the resources published by IDH may be used in the analysis chapter of this thesis – it already informed the choice of SDGs for SQ 2b -, IDH itself will not be subject to this analysis as it is dissimilar to the other MSIs that have been chosen for this thesis due to it not setting standards or offering any means for certification or a fair trade seal or logo for tea sellers and brands. Including IDH would further complicate the intended comparison in this analysis chapter. Therefore, four fair trade MSIs will be used to inform this analysis, the first one to be examined is the Rainforest Alliance.

Rainforest Alliance

The Rainforest Alliance came into being in 1987 for the purpose of – as the name suggests – protecting rainforests and started its first fair trade certification for agricultural products with bananas in 1992 (RA, 2018a). In Kenya it works in close collaboration with

IDH and KTDA, which in turn entails that it works with a broad range of smallholder farmers. It also works with Unilever, an MNE selling only Rainforest Alliance certified teas, who own approx. 130km^2 of tea estates near Kericho, North of Nairobi (Reeve, 2015). 50,000 people live on this estate and one assertion is that it has some colonial resemblance due to workers and their families living on the estate (ibid). Nonetheless, RA has developed into one of the largest and best-known certification labels for sustainably sourced products, alongside Fairtrade International (FLO). In 2007 a farm in Kenya became the first tea producer to have received RA certification (RA, 2014). The standard it uses is owned by the Sustainable Agriculture Network (SAN), which in turn provides the license for RA to use this standard and act as the MSI secretariat and certification body (RA, 2018b). The next part of the analysis will examine the legislative, executive and judicial governance in the RA Sustainable Agriculture Standard in order to derive findings for answering the research question and SQs.

Legislative Governance

As described in the methodology chapter, legislative governance is concerned with standard formulation and revision. In other words, this deals with the matter of who has a voice in deciding on the issues that are to be included in a standard. This raises the question how the private sector has been involved in standard formulation, both historically as well as contemporarily. In their own documents both SAN and RA mention that the first sustainable agriculture standard, published in 1993 after a two-year consultation process, involved "key stakeholders" (SAN, 2010). The standard is reviewed at least every five years, though research showed that it has been reviewed more frequently, approximately on a biennial basis since 2008. Few documents, both by RA/SAN and by other institutions, academics or wider stakeholders, can be found that contain information relating to the legislative governance structure and the private sector's role within it pre-2000. However, they indicate in their entirety that a democratic, consultative process has been followed to guide the formulation of the standards. Be that as it may, an assessment of the stakeholder consultation for the formulation of the

standard published in 2005 found that while the consultation process was clearly explained and the comments submitted during this process have been made public, neither the identities of the actors that offered these comments nor the identities of those that were asked to provide their input were published (Ventura, 2007). This potentially acts as a weakness, because parties that may perceive such a standard as negative may then seek to influence the criteria for their own interests. Not allowing access to such information entails a potential conflict of interest, due to standard takers being given the possibility to anonymously influence the criteria contained in a standard. This makes it impossible to derive for certain the historic role the private sector may have had in the formulation of the RA standard. RA claims that it adheres to the ISEAL Code of Good Practice for setting social and environmental standards since 2007 (SAN, 2013), which contains a criterion for comprehensive consultation and balancing the interests of the stakeholders during the formulation process (ISEAL, 2014). For its most recent standard, RA and SAN piloted and tested draft criteria in field activities on East African tea plantations, among others, and had a 100-day public consultation phase during which they invited comments from experts as well as held consultation workshops with a range of stakeholders, including the private sector (RA, 2017a).

The ISEAL standards code states as desirable criterion to identify the stakeholder group who submitted a comment during the consultation phase, but not identifying them by name unless clearly consented to (ISEAL, 2014, p.14). As such, if it were to adhere to this criterion then it would at least be visible which comments were submitted by the private sector, as RA still fails to identify the stakeholder group that provided a comment during the public consultation process. Therefore, the role the private sector played in the legislative governance cannot be evaluated definitively. However, with regards to the impact of this consultation on tea farmers and producers, the inclusion of criteria with regards to sustainable land management and protection, minimum wages and the freedom of association (RA, 2017b), to name but a few, can be said to directly impact workers' conditions. However, a case study of the Kenyan tea sector, which included interviews of farmers at Unilever's estate, found that the minimum wage is insufficient to

provide a decent living standard for workers and their families (van der Wal, 2008). A full list of the critical criteria that need to be fulfilled to receive certification can be found in Appendix 3. Since all of them have been included as compulsory, the legislative governance of the RA standard can be considered as directly impacting workers' conditions.

Executive Governance

The criteria that emerge as part of an MSI standard's legislative governance then have to be implemented on the ground by the exercise of executive governance. In essence, to assess executive governance it is crucial to analyse at which stages the standard has been implemented and whether the critical criteria are fully implemented. The role of the private sector can be understood as being the addressee of executive governance, as the tea is harvested both by smallholder farmers and tea companies or cooperatives. As such, the role of the private sector in the executive governance component is to ensure that the critical criteria are all implemented in order to receive certification. Since it was only in 2007 that the first Kenyan tea farm received RA certification (RA, 2014), the role of the private sector in the executive governance has changed slightly. This can partly be attributed to the fact that KTDA started rolling out the Farmer Field Schools in 2010 only (Waarts et al, 2012). At the time, RA still had its own training in place that taught farmers and factories how to implement their standard. However, in 2012 Unilever started to collaborate with IDH, RA and KTDA to deliver the FFSs collaboratively. This allowed them to train farmers and factory workers not just on the issues that they needed to address, such as sustainable crop management, in order to become RA certified, but a more comprehensive training on issues relating to tea cultivation and processing (ibid). As part of the 'Kenya Tea Program' Unilever still plays a fundamental role in ensuring the delivery of FFSs, as their aim is to eventually train all KTDA farmers as part of the FFSs (IDH, 2017a).

With regards to impact, companies, farmers and factories applying for RA certification have to ensure that along their supply chain the standards are also adhered to (RA, 2017b). As such, it is the role of the private sector to ensure that the standards are implemented prior to an audit by RA. In order for a tea farm or processing factory to receive certification it needs to fulfil all of the 37 critical criteria, though smallholders are subject to fewer criteria (ibid). One critical criterion that does not have to be implemented by smallholders is to ensure freedom of association and the right to join a worker organisation, which may negatively impact workers both socially and economically. On the one hand, this could entail that they are socially in a worse spot due to such freedoms not being assured. On the other hand, this could make them economically worse off as they cannot engage in collective wage bargaining (Stathers and Gathuti, 2013). Studies assessing the impact of RA certification on Kenyan tea farmers, found that upon having attended a FFS and implemented the necessary criteria for RA certification, farmers increased their yields, earned higher incomes, had better working conditions and, to some extent, improved the state of land and water resources (Ochieng et al, 2013; Maina, 2016; Waarts et al, 2016). They (ibid) further assert that, similar to the findings in this section, RA certification has some beneficial impacts, but more needs to be done to reach sustainability in the Kenyan tea sector.

Judicial Governance

The final analysis of the RA standard relates to its judicial governance, which entails assessing how compliance with the standard is monitored in order to assure adherence. The standard requires that audits are conducted on a yearly basis and that the certification is reassessed every three years (ITC, 2016). In the past, the certification process was the responsibility of a SAN member in the field (Ventura, 2007). The role of the private sector in this case was such that they needed to ensure – smallholders and brands such as Unilever alike – that their farms complied with the need for a yearly audit and also carried the costs for these audits. This remained unchanged (RA, 2018c). Furthermore, to maintain the certification over the years, the RA standard also includes

criteria for continuous improvement, which means that every year starting from the year of certification, a farm or factory has to progressively adhere to more of the 'Continuous Improvement Criteria' (RA, 2017b). Another role of the private sector may be to take over the auditing role. For certification and audits, tea farmers and factories in Kenya can either use the independent certification body of the RA, or they can use two other certification bodies (RA, 2018d). The necessary condition is that this body holds a valid ISO 17065:2012 accreditation (RA, 2018e). In order to ensure accountability, RA states that these audits need to be carried out by independent, third-party organisations. However, this raises the question why RA-Cert, its independent certification body, can be considered as third-party institution. Nonetheless, a direct connection between RA standard judicial governance and the impact on workers' conditions is evident. Due to this external scrutiny of yearly audits ensuring that farmers and factories alike comply with the standard, this ensures the safeguarding of worker's livelihoods and impacts on their social, economic and environmental well-being. This section has assessed the private sector's role in each of the RA standard's governance dimensions and in doing so, derived findings that demonstrate the impact of this MSI on workers' conditions in the Kenyan tea value chain. The next section focuses on the analysis of the Fairtrade International (FLO) standard.

Fairtrade International

Fairtrade International, its official name being the Fairtrade Labelling Organizations International (FLO), was established as the umbrella, multi-stakeholder secretariat of national Fairtrade organisations in 1997 to offer an alternative to the convential (free) trading system (FLO, 2018a). In 2002 it launched its Fairtrade certification mark, which is recognised by a large number of Western consumers (ibid). One key difference to the Rainforest Alliance is that FLO focuses on setting minimum prices for the products their standard covers, which entails that even if the market price falls, producers are still assured that they are being paid this price (FLO, 2018b). Furthermore, smallholder farmers as well as tea estates receive a premium for products sold that adhere to their

standards, which is invested in a communal fund for the purpose of *"education and healthcare, farm improvements to increase yields and quality, or processing facilities to increase income"*, among others (ibid). In addition to this difference, FLO also has a standard dedicated to tea, unlike RA who only has a generic standard for agricultural products (FLO, 2015). It further distinguishes with different sets of standards governing the production of tea for small producer organisations and hired labour, both came into effect in 2014 (ibid). Thus, there is a generic standard for either of these producers and then a specific subset for tea production, last updated in 2011, again differentiating between these producers, which indicates whether there are additional requirements to those standards laid out in the generic standard (ibid). The first FLO certification to be handed to a KTDA factory happened in 2003 (Blowfield and Dolan, 2010). As such, this provides the timeframe for the analysis of the private sector's role in the FLO standard's governance. The next section examines the legislative governance of the FLO standard for tea to derive the role of the private sector and the standard's impact on workers' conditions.

Legislative Governance

Similar to the RA standard, FLO also started complying with the ISEAL Code of Good Practice on Standard Setting in 2007 (FLO, 2018a). In the same year, FLO made producers full members in their governance structure and in 2013 awarded producer networks half the votes in its General Assembly (ibid). Unlike RA, FLO is more transparent with regards to its procedure for the development of its standards as it publishes a detailed version of this procedure, which leads to the consideration of the role the private sector played in their development. However, the fact that farmers and producers have only been included in the governance structure in 2007 entails that the private sector, here considered to be the MNEs that purchase, package and sell Kenyan tea, may have had an uneven say in FLO's legislative governance prior to this change in governance. Despite this change, which resulted in 4 out of 13 governing board seats being allocated to producer networks, evidence of inclusiveness in FLO's legislative

governance remains scarce (Dolan, 2010). As stated in the paragraph above, FLO's initial objective was to provide an alternative to the conventional trade system, which entailed an emphasis on bypassing the conventional value chains MNEs took to sell their products (ibid). Over the years, however, FLO changed its scope to include the conventional value chains, and thus the actors that are involved in it, in its processes and decisions (ibid). As such, while the role of the private sector may have changed in theory, the reality is that the standards formulation process still fails to include the farmers and workers as external stakeholders (FLO, 2016). This may enable businesses with an interest of skewing the standards for their benefit to leverage the external stakeholders, of which they are a part, to echo the opinions of the large firms in question. In interviews with Kenyan tea farmers and NGO representatives in 2010 about FLO, it became apparent that the local private sector – smallholders and larger estates alike – have been left out from standard formulation process, whereas international buyers form an integral part of the discussions that lead to these standards (Dolan, 2010). Nonetheless, the standard includes requirements relating to social, economic and environmental factors, i.e. minimum price, democratic participation, non-discrimination and environmental protection (FLO, 2011a; FLO, 2011b; FLO, 2011c; FLO, 2014). Their inclusion suggests that farmers will feel a direct impact covering the three dimensions of sustainable development due to the FLO standards' legislative governance.

Executive Governance

In terms of the role of the private sector in implementing the FLO standard, it is possible to see a difference in roles depending on which part of the private sector is examined. As pointed out above, implementing the standard means that farmers and producers have to adhere to the criteria set out by FLO. If the focus is on the role of the smallholder farmers and the KTDA factories, then their role has remained unchanged, because they have to carry the cost of implementing the standard at their farms and factories (Dolan, 2010; FLO, 2011b). Once the focus shifts to large-scale tea estates and international buyers, the picture becomes blurrier. While the estates, which fall under the standard for

hired labour, are also required to implement the standards related to issues such as non-discrimination, the payment of minimum prices and premiums or environmental management entirely (FLO, 2014), estate owners have also been found to lack behind on implementation despite having been certified (Robinson, 2009). Unfortunately, no secondary research can be found indicating whether this situation has changed since 2009. Thus, while smallholders and estates should play a similar role in executive governance, it appears as though the estates can leverage their position of relative power and market access to circumvent the requirements of implementation. Another interesting aspect to note is that of supermarkets, particularly in the UK where many of them sell own-brand Fairtrade certified tea obtained through a licensee, but do not have to be licensed by FLO themselves (Dolan, 2010). This has been referred to as "Fairtrade Lite" (Blowfield and Dolan, 2010). This requirement of ensuring that the value chain has to be licensed in its entirety can still not be found in FLO's standards (FLO, 2011a; FLO, 2011b; FLO, 2011c; FLO, 2014). The hired labour standard contains requirements that govern the relationship between producers and buyers (FLO, 2014). However, the role of international buyers and packers in FLO's executive governance is highly ambiguous. Firstly, the requirement for the payment of a minimum price on tea was only included in FLO's standards until 2008, because initially buyers sourced Fairtrade tea from Kenya only via estates (Blowfield and Dolan, 2010). More importantly, however, international buyers, who do not fall under the scrutiny of having to implement FLO's standard, used to be able to decide after purchase, how much of the tea they bought they declare as Fairtrade certified. This practice was changed in 2009 (FLO, 2007), but it goes to show the power relations in the implementation of the standard, since buyers could choose how much of the tea they wanted to declare as FLO certified (Dolan, 2010).

One stated direct impact by FLO is that the minimum price as well as the additional premium paid to farmers and their representatives lifts farmers out of poverty and ensures a living wage, among other benefits (FLO, 2011b; FLO, 2014). However, this system has come under heavy critique, as the minimum prices are lower than what producers of high-quality tea may receive through the auction and the premiums are

handed to KTDA or estate owners (Blowfield and Dolan, 2010; Dolan, 2010). Smallholders criticise that they are left with the burden and cost of implementation, but receive a minimum price they do not perceive as "fair" (Dolan, 2010). Thus, the impact on workers' conditions depends on whether they work on an estate or are smallholders. Altogether, it can be said that while there may be some beneficial impact from implementing the standard, the reliance on the minimum price and social premium model appears to leave farmers behind who may need these premiums the most (ibid).

Judicial Governance

With regards to the judicial governance in the FLO standard, the private sector, again, plays varying roles. As stated above, smallholders only started participating in the FLO system in 2008 (ibid). Similar to the roles in FLO's executive governance, the burden of carrying the costs of assuring yearly audits and paying for certification lies with the smallholders and tea estates. Until 2009, which saw FLO forbidding the 'retrocertification' of tea (FLO, 2007), international buyers and packers could choose how much of the tea they had already purchased they wanted to declare as Fairtrade certified. This put them in a power position relative to the tea producers, because depending on the demand for Kenyan Fairtrade tea, they could simply choose to withhold funds and information, which left certified estates and KTDA factories wondering how much of the tea they sold was declared as Fairtrade (Dolan, 2010). As such, MNEs, Western retailers and packers all benefited from their power position in FLO's judicial governance until 2009, but third-party information that would allow for triangulation of the data relating to the current situation of FLO's judicial governance is not available. These actors can, however, still be said to be enjoying a power position with regards to monitoring, as they are not obliged to carry the costs of audits and due to the auction system they can choose to buy from the producer that can afford the audits. This can have a negative impact for smallholders, because international buyers have relatively free choice with regards to their suppliers, hence it puts those that cannot afford the market access due to their size at a disadvantage. For auditing, FLO makes

use of the company FLOCERT, an independent body for compliance monitoring that assesses the certification in three-year cycles and conducts yearly audits (FLO, 2018d). The cost of certification and the yearly audits is high: For a smallholder group comprising between 50 and 100 farmers, the cost of the initial certification lay at 3100$ for the initial and three-yearly certification and 1950$ for the yearly audit in 2010 (FLO, 2006 as cited in Dolan, 2010). Unfortunately that was the last year FLO made this information public. To put this into perspective, the gross national income per capita in Kenya was 1380$ in 2016 (World Bank, 2018). This entails that while there may be some benefits to FLO certification for farmers, there is a potentially negative impact on the poorest and most marginalised among them as they ay not have the means or may have to use most of their profits to become certified (Dolan, 2010). The next section deals with the role of the private sector in the Ethical Trading Initiative MSI standard and the impact on workers' conditions.

Ethical Trading Initiative

The Ethical Trading Initiative (ETI) came into being in 1998 and was originally founded as a UK-based initiative, but has since expanded its influence in Europe and North America and is now among some of the most important Fair Trade MSIs (Albareda, 2013). ETI's membership structure is similar to that of RA, because it requires corporate members to cover the membership fees and adopts a top-down approach, whereby these members have to adopt of the ETI Base Code of labour practice as part of their corporate governance and ensure adherence to the codes throughout their value chains (ETI, 2018a). Unlike the two MSIs assessed so far, ETI focuses exclusively on economic and social issues related to workers' conditions such as the payment of living wages, non-discrimination or freedom of association (ETI, 2016). The nine elements of the Code, which is based on the ILO core conventions and has last been amended in 2014, can be found in Appendix 4 (ibid). This section now turns to the role of the private sector in ETI's governance and its impact on workers.

Legislative Governance

ETI's standards appear to not have been the addressee of much scrutiny, because their code is based on ILO and UN standards (Schaller, 2007). Since its inception it has moved forward with regards to its institutionalisation (ibid). Its legislative governance structure remained largely unchanged since its foundation, as it represents a tripartite structure, which entails that its board of directors is comprised of an equal number of representatives from trade unions, NGOs and its corporate members (Schaller, 2007; ETI, 2018b). The board meets four times a year. Two caucus groups can influence its decision-making, one is made up of trade union representatives and NGO representatives, whereas companies make up the other (ETI, 2018b). Originally, these groups used to be split into four caucus groups, the two mentioned in the previous sentence as well as two separate groups for companies, one for the food sector and another for the textile sector (Schaller, 2007). This demonstrates two things. On the one hand, this shows the increased institutionalisation of ETI, as the caucus groups are further split into working groups that represent ETI's members. On the other hand, this validates the tripartite structure, as the role of the private sector in ETI's decision-making mechanisms is transparent and companies have the same voting rights as the other members. Furthermore, all decisions are based on consensus, thus, if one representative does not agree to a proposed change then it cannot move forward (ibid). This could lead to an implementation gap, which has been discussed as one of the critiques of MSIs in the literature chapter of this thesis, as the diverging interests of NGOs or trade unions vis-à-vis companies may result in non-adoption of proposed changes that may improve workers' conditions.

With regards to ETI's legislative governance's impact on workers' conditions in the Kenyan tea value chain, no impact assessments or peer-reviewed studies exist that focus specifically on this value chain. However, from this governance structure on can deduct a participation gap as highlighted in the literature, because the intended beneficiaries of the code – the tea workers and farmers – have to rely on the NGO/trade

union caucus and the board to represent their interests (Utting, 2007). Thus, the participation gap entails that Kenyan tea workers are underrepresented in ETI's legislative governance, hence the impact on their conditions derived from the formulation and amendment of ETI's standard is ambiguous. With regards to the ecological impact, the exclusion of any environmental requirements entails that there is no impact on the environment as the result of ETI's Code. Nonetheless, the inclusion of ILO core conventions and UN standards can be regarded as benefiting them. Next, this section turns to ETI's executive governance.

Executive Governance

In terms of implementing ETI's Base Code, corporate members further have to commit to ETI's Principles of Implementation (ETI, 2018c). These contain 6 principles as well as sub-principles aimed at outlining member companies' responsibilities to ensure implementation (ETI, 2009). It has to be noted that, dissimilar to the exhaustive, 50+ page standards documents by RA and FLO, ETI's Base Code is comprised of four pages and the Principles of Implementation three pages (ETI, 2009; ETI, 2016), which has consequences for both the executive and judicial governance of ETI. To elaborate, corporate members of ETI are thus left with the responsibility to develop their own implementation strategies and indicators, which they are not obliged to do and could result in Northern-driven standards (Rasche, 2012). The role of the private sector in ETI's executive governance has remained unchanged since the formulation of the code, as Western firms who want to become a member pay a membership fee and then commit to ensuring that the base code is implemented along their value chain (Utting, 2007; ETI, 2009). As such, corporate members of ETI who often embody the lead firm in a GVC are responsible for implementation, but ultimately it is their suppliers who have to carry the costs of implementation (Schaller, 2007). A study of ETI corporate members in a range of GVCs found that whether the Base Code is actually implemented on the ground depended on the kinds of supplier-buyer relations (Barrientos and Smith, 2007). Hence one can derive that while ETI corporate members may have to commit to

ensuring adherence to the Code, it is ultimately the suppliers who have to both carry the costs as well as the responsibility for implementation, which shows mixed results of effectiveness depending on the supplier-buyer relations in a GVC. Barrientos and Smith (2007) note that a factor of paramount importance affecting the implementation of ETI's standard in GVCs such as the Kenyan tea value chain, which is characterised by a power imbalance in favour of international buyers due to most of the tea being sold in the auction system (Blowfield and Dolan, 2010), is critical mass. This means that the more buyers require suppliers to implement the Code, the more likely they are to actually do so (Barrientos and Smith, 2007).

This directly links to the impact of ETI on Kenyan tea farmers and workers, as the effects of implementation are likely to only be beneficial if there exists sufficient demand for implementation and depends on whether they are smallholders or part of an estate. While ETI's corporate members import, buy and sell tea from Kenya (ETI, 2018d), studies assessing ETI's or its members' impact on Kenyan tea farmers are non-existent, neither commissioned by them, nor by academics or research institutions. This may be attributable to their collaboration with the Ethical Tea Partnership. As such, this only allows for an estimation of the anticipated impact on Kenyan tea farmers. Of course, if the standard was to be implemented in its entirety at the farms and factories supplying ETI certified tea, then a direct social and economic effect may be felt by workers, as they would have to be ensured a living wage, non-discrimination, better health and safety and freedom of association (ETI, 2016). However, numerous impact assessments of ETI's codes in similar GVCs have found that while issues such as health and safety may be more readily addressed and actually seem to have improved for workers (Barrientos and Smith, 2006), the claims relating to better wages, working hours or collective bargaining rights provide inconclusive evidence and often seem to not have been implemented (Barrientos and Smith, 2007; Schaller, 2007; Albareda, 2013). These effects may also be the result of ETI's judicial governance, which is the focus of the next section.

Judicial Governance

Dissimilar to the two MSIs examined thus far, ETI relies less on compliance monitoring and instead opts for an approach of learning, best practices and continuous improvement (Hughes et al, 2007, ETI 2018c). Corporate members are required to produce annual reports on their progress, which ETI reviews, however, there exists no requirement for public disclosure of audit results (Hughes et al, 2007). As noted in the paragraph above, ETI's Code as well as implementation principles are short documents that are not very detailed and thus lack a stringent framework for monitoring compliance. This allows companies to use narrative reporting rather than indicator-based monitoring and leaves the private sector with the responsibility of developing methodologies for auditing (Albareda, 2013). Furthermore, the corporate members' role is to communicate ETI's Code to the suppliers before an audit is carried out (Schaller, 2007; Barrientos and Smith, 2007). Workers felt little impact on social aspects, despite some monitoring mechanisms in place (Barrientos and Smith, 2006). Member companies themselves provided feedback in an external evaluation of ETI indicating that auditing has some serious limitations and is insufficient to improve workers' conditions in relation to freedom of association and collective bargaining (IOD PARC, 2015). Lund-Thomsen and Lindgreen (2014) ascribe that these kinds of social audits put significant strains on suppliers and in turn negatively affect workers. Thus, while ETI's approach to judicial governance may be termed as being a more developmental approach to fair trade (ibid), an all-round positive impact on workers on Kenyan tea farms cannot be confirmed as significant challenges persist (Barrientos and Smith, 2007; Hughes et al, 2007; IOD PARC, 2015). The last MSI to be reviewed is the Ethical Tea Partnership, before the analysis moves on to assessing these MSIs' impact on the SDGs.

Ethical Tea Partnership

The Ethical Tea Partnership (ETP) was founded in 1997 and is the only sector-specific standard-setting fair trade MSI in the tea sector (ETP, 2018a). It was formed by a coalition of UK-based tea producing companies with the aim of progressing working

conditions in the tea value chain (ibid). It has since grown its membership base to include producers all over the Western world and expanded both its network with regional offices as well as its scope to include a wider range of issues in its standard (ibid). It was the first of the MSIs examined in this thesis to start the implementation and monitoring of MSI standards in Kenya, beginning around 1998 (Stathers and Gathuti, 2013). ETP last updated its standard in 2016 - to be found in Appendix 5 - and the fundamental principles in its standard are taken from ETI's Base Code, which served as ETP's standard until 2009 (Loconto, 2010; ETI, 2016). However, as the ETI Code only includes economic and social criteria they expanded it to include environmental provisions in 2009, which was the year that they launched their own standard – the ETP Global Standard (Potts et al, 2014; ETI, 2016). This reliance on ETI's Code entails that part of its standard is decided by another MSI, however, it still makes it valuable to assess how ETP's standard is formulated, implemented and monitored and how this impacts Kenyan tea farmers and workers.

Legislative Governance

This section aims to assess the role of the private sector in ETP's standard formulation processes as well as the standard's impact on Kenyan tea farmers and workers. As pointed out in the paragraph above, ETP derives the social and economic components of its standard from ETI's Base Code. Therefore, the members of ETP, which are only private sector members, do not play any role in deciding on this part of ETP's standard, unless they are also part of ETI (ETP, 2018b). At least according to ETP. An assessment of several standard-setting MSIs has found that in ETP, though adopting all of ETI's Code in their standard, the board, which is solely made up of the private sector, can alter the requirements on the minimum criteria that have to be fulfilled (Potts et al, 2014). In addition to this, the private sector alone has the power in decision-making with regards to standard formulation (ibid), which entails that exclusively they decide on the environmental criteria. Since ETP has always consisted solely of private sector members (ETP, 2018a), this sheds doubt on their MSI status. One can argue, however,

that due to their adoption of ETI's Code, they can still be considered to be adopting a multi-stakeholder approach. Thus, this apparent weakness in ETP's standard formulation mechanism then begs the question of how this impacts Kenyan tea workers.

While some studies exist that focus on ETP in the Tanzanian and Malawian tea sectors, no impact assessments exist that focus on Kenya, neither by ETP nor by third parties. On the one hand, one can argue that the inclusion of ETI's Code and the addition of an environmental component, with issues such as environmental management systems, water, soil and ecosystem conservation as well as pesticide use included, results in a better impact for farmers as compared to ETI's Code alone. On the other hand, in the case of Tanzania, local institutions and farmers or estates felt that the inclusion of such provisions in ETP's standard have had little tangible effects on their working conditions (Loconto, 2010). Another criticism is that the standard itself does not, despite ETP solely focusing on the tea sector, contain criteria regarding the quality of tea or production processes specific to tea, with the exception of some environmental prescriptions (Loconto, 2014). While the MSI characteristics of inclusiveness or balanced power are not particularly apparent in ETP's legislative governance, this may potentially be more visible in the other governance dimensions, subject to further analysis in the following paragraphs.

Executive Governance

From the previous paragraph it became evident that the role of the private sector has changed in ETP as the corporate members now also have to ensure the implementation of environmental criteria, which, before 2009, was not part of ETP's standard (Loconto, 2010). Moreover, their role has expanded not only to ensuring implementation but also to contributing financial as well as non-financial resources such as capacity building assistance to allow ETP to address more complex issues in the tea sector (Potts et al, 2014). While the members of ETP, solely representing private sector actors, have to incur the costs of membership fees, the costs of implementing the standard and

ensuring adherence to the provisions set out by ETP have to be carried mostly by the factories and farmers (Loconto, 2015). Furthermore, the role of the private sector in ETP has changed with the introduction of its Global Standard, due to the organisation shifting from a monitoring to a capacity building approach (Minang et al, 2014). For the private sector this entailed supporting the implementation of further measures such as environmental protection and climate change mitigation and adaptation measures (ibid). As ETP has cooperation agreements in place with ETI, RA and FLO, for Kenyan tea farmers the implementation of ETP's standard means that they are better positioned to become certified by either of these MSIs (Loconto, 2015). This can be directly connected to an anticipated positive impact on workers' conditions if the standard is implemented. Dissimilar to ETI's Code, it can be argued that implementing ETP's standard provides tangible benefits for workers on all three dimensions of sustainable development. The next paragraph aims to examine ETP's judicial governance.

Judicial Governance

As noted above, ETP's role has shifted from a monitoring MSI to one focused on capacity building (Loconto, 2015). Nonetheless, ETP still holds members accountable for ensuring independent, third-party monitoring of their suppliers (ETP, 2018c). The role of the member companies, thought of as the lead firms in the Kenyan tea GVC due to their status as international buyers and packers, in this case is to pay for the auditor, which has always been their responsibility (ibid). For workers and farmers this entails that they can obtain certification at virtually no cost, however, a study of Tanzanian tea farmers that implemented the ETP standard showed no clear benefit from ETP monitoring or certification (Loconto, 2015). In terms of the private sector's historic role, the international auditing firm Price-Waterhouse-Coopers was responsible for auditing and certification until 2009, but the result was that they often sent auditors directly from London who possessed little knowledge of the tea sector and regarded auditing as a tick-box exercise (Loconto, 2010). This often resulted in audits indicating non-compliance due to auditors' lack of knowledge of tea-specific processes (ibid). In 2009,

ETP member companies started using another auditor due to issues with the audit process as a result of auditors being too unfamiliar with the tea sector to conduct proper monitoring exercises (ibid). Since then, the role of the private sector in ETP's judicial governance has remained largely unchanged, with member companies having to ensure auditing every three years and being obliged to pay for it (Potts et al, 2014). This approach could potentially entail a conflict of interest, as, despite relying on third parties to conduct compliance monitoring, member companies may use their power positions to choose producers and auditors based on their willingness to cheat the system. This allegation is by no means made without empirical grounding and will be further explored in the conclusion chapter. A 2006 report found that during ETP auditing visits, the auditors would arrive together with management, which often resulted in workers not trusting these auditors. Moreover, the report found that auditing visits were always announced and planned up to three months in advance, allowing farmers as well as estate managers to make the necessary arrangements to hide or remove any issues that may result in non-certification (Oldenziel and Otten, 2006). This 'tick-box' approach to compliance employed by ETP has been widely criticised (Loconto, 2014, 2015; Stathers and Gathuti, 2013; Potts et al, 2014). Moreover, there is no need for an ETP audit if a producer has a valid RA or Fairtrade certificate (Potts et al, 2014) and ETP members do not have to publicly disclose any of their auditing results and neither will ETP (Loconto, 2014).

For Kenyan tea workers and farmers, ETP's approach to auditing could entail both positive and negative impacts regarding sustainable development. While the compliance approach could result in negative social and economic impacts such as poor housing conditions, no provision of labour rights or freedom of association, ETP's change to a capacity building institution also resulted in partnerships with other MSIs, KTDA and development agencies to specifically address climate change-related and environmental issues in Kenya's tea sector (Minang et al, 2014; ETP, 2017). Altogether, despite ETP being an MSI solely focused on issues in the tea sector and aiming to address major issues facing the tea sector that are also highly applicable to the working conditions in

Kenya's tea value chain, it still has major limitations and weaknesses. This may be attributable to the role the private sector, in particular its member companies, plays in its governance structure. One last thing to note is that out of the four MSIs reviewed for this thesis, ETP is the least transparent and lacks external impact studies to accompany the claims it makes. An overview of the transparency of three of the four MSIs reviewed, including ETP, can be found in Appendix 6. The next section attempts to examine these four MSIs' contribution to the SDGs, before moving on to the conclusion chapter of this thesis.

The chosen Multi-Stakeholder Initiatives' Impact on the Sustainable Development Goals

The examined MSIs' overall contribution to the SDGs based on their impact on workers' conditions in the Kenyan tea value chain can be seen in Table 1. As stated in the methodology chapter, the SDG targets used for this analysis have been selected based on their applicability and usefulness with regards to the issues facing the tea sector in Kenya. Based on the impact analysis carried out for the four examined MSI standards as part of SQ 2a, an overall trend can be observed, indicating that these MSIs not only contribute to sustainable development, but also to the SDGs, albeit to varying extents. An underlying issue for this analysis was the lack of quantitative data about these MSIs' impact on the Kenyan tea value chain, which resulted in narrative accounts of the impact on the selected SDGs, based on the results of the former analysis. The six SDGs chosen for this analysis were useful as they directly address issues that some of the MSIs included in their standards. The qualitative nature of this analysis entails a need for further research examining how MSI impact analysis can be conducted. This analysis mainly relied on indicators and guidance contained in a 223-page report entitled 'Business Reporting on the SDGs' developed by the Global Reporting Initiative and the UN Global Compact (2017), due to unavailability of MSI-specific methods. While limited, reliance on this report still was relevant as it allowed the application of the SDGs as an

instrument to evaluate the results of SQ 2a. While none of the analysed MSIs disclose any specific SDG impacts, the assessment finds that their impact on SD can also be used to evaluate their SDG impact to some extent. While the lack of disclosures of the analysed MSIs leads to arguable deficiencies in the accuracy of defining their SDG impact, it nonetheless serves to showcase that the SDGs can be used as an instrument to evaluate MSI effects on workers' conditions. In the case of the Rainforest Alliance, the different and often contrary impacts stemming from, for example, its legislative vis-à-vis its executive or judicial governance entail that the RA standard's contribution, while visible to varying extents depending on the SDG, to SDG achievement requires further analysis.

MSI	SDG	1 – No Poverty	2 – Zero Hunger	5 – Gender Equality	8 – Decent Work and Economic Growth	12 – Production and Consumption	17 – Partnerships for the Goals
Rainforest Alliance		Payment of minimum wage as mandatory criterion means that the RA standard addresses poverty. However, impact assessment showed little impact for hired labour.	The organisation of Farmer Field Schools has shown an increase in yields for smallholders and plantations by teaching sustainable agricultural practices.	Inclusion of non-discrimination and harassment criteria means that the standard addresses equality, but studies have shown mixed findings related to its success.	Though stated in the standard, RA certified plantations often did not offer contracts for hired labourers. The standard also does not strictly forbid child labour. Health and safety at tea farms improved.	Provisions on the safe use of pesticides showed a positive impact. Moreover, FFSs teach farmers in soil and water protection, which proved to be an effective approach. Housing on estates is often poor.	Promotes and engages in partnerships with KTDA, development agencies and civil society organisations in order to address the more complex issues facing the tea sector that relate to the SDGs.
Fairtrade		The minimum price criteria should have a poverty impact, but it may be less than what farmers could receive through the auction, thus having a limited impact on poverty.	Climate-resilient agricultural practices have to be achieved as a result of implementing the standard, which may result in a positive impact on SDG 2.	Gender equity is a mandatory requirement in the FLO standard and has been achieved to some extent, but in social premium spending decision-making women have little representation or say.	FLO has its own standard for hired labour that results in better conditions for hired labourers. It forbids child labour in all forms and contributes to better health and safety at tea farms.	The standard includes detailed criteria on environmental management and responsible production methods, such as sustainable soil and waste management practices.	While it has a partnership agreement with ETP, which focuses on capacity building, FLO appears not to be actively pursuing partnerships that are designed for SDG achievement.
Ethical Trading Initiative		Claims relating to better wages, working hours or collective bargaining rights provide inconclusive evidence, causing a limited poverty impact. The Code only contains a minimum wage criterion.	The absence of any environmental criteria relating to sustainable agricultural practices in ETI's standard means that it does not address issues contained in SDG 2.	The ETI standard mentions that no discrimination based on gender shall be practised. However, absence of any further gender criteria entails limited impact on gender equality.	Forbids avoidance of regular employment and new recruitment of child workers. This means it tolerates it if the children had been working prior to standard implementation. Health and safety improved due to the ETI standard.	The absence of any environmental criteria such as pesticide use and waste management in ETI's standard means that it does not address issues contained in SDG 12.	Engages in partnerships with ETP to address complex and systemic issues facing the tea sector, which in turn can be connected to the SDGs. As such ETI impacts SDG 17 to some extent.
Ethical Tea Partnership		Poverty impact, despite being a criterion in ETP's standard, cannot be verified due to ETP not publishing audit results as well as overall lack of impact assessments.	Since 2010 ETP has been co-organising trainings on sustainable agricultural practices with a focus on improved yields for farmers as well as climate resilience.	The ETP standard has a critical criterion stating that no pregnancy tests shall be carried out, as condition for employment and pregnant women shall not be discriminated against. However, the impact cannot be confirmed.	Similar to ETI, ETP forbids excessive use of short-term contracts and child labour in its entirety. As such, ETP's impact on SDG 8 can be considered to be greater than ETI's.	The standard contains criteria relating to the safe use of agrochemicals, conservation and energy use. ETP organises trainings for farmers on these subject, hence generating a positive impact.	ETP's increased emphasis on capacity building since 2009 entails forging partnerships that address a range of issues contained in the SDGs, thus ETP's change of direction means that it has a positive effect on SDG 17.

Table 1

As the standards and the SDGs alike touch upon a complex and wide array of issues facing GVCs and society as a whole, claiming that the impact is strictly positive or negative applies too much of two-way thinking on multi-faceted issues, such as poverty. This argument can be made for all of the analysed MSIs. In terms of their overall impact, the triangulation strategy once again proved useful as it allowed validating the claims made by the MSI secretariats with regards to their effects on workers' conditions in the Kenyan tea sector. This often demonstrated that the stated impact of these MSIs could not be proven or only verified to some extent. In terms of SDG 1, all MSIs could be considered to have a positive, yet varying effect on poverty. Three MSIs, with the exception of ETI, were found to contribute to SDG 2 through the inclusion of criteria relating to sustainable agricultural practices, which is one of the targets of SDG 2 (GRI and UNGC, 2017). The FLO standard contains the most criteria on achieving gender equality and can be considered to have the most beneficial effects on this SDG (5). By demanding the avoidance of short-term employment and contracts, all MSIs can be said to have some impact on SDG 8. However, the disparate extents to which they address the issue of child labour results in a variance of their contribution towards achieving this SDG. Similar to SDG 2, ETI can also not be considered as having any impact on SDG 12, due to the absence of any criteria relating to environmental protection. The other three MSIs have varying contributions, but RA can be considered to have the best effect, at least on environmental issues, due to the launch of Farmer Field Schools, which have proven to positively impact such issues (Bergman et al, 2016). Lastly, all SDGs have been found to support the achievement of the SDGs by engaging in partnerships. It could even be argued that their existence per se contributes to their achievement, as the launch of multi-stakeholder partnerships is one of the targets contained in SDG 17. This chapter featured the analysis of the research question and subquestions and aimed to derive findings from this analysis. The next chapter presents concluding remarks and provides recommendations for future research.

Conclusion

This thesis focused on analysing the role of the private sector in four MSI standards based on these MSIs' legislative, executive and judicial governance. This examination further enabled the author to deduct the impact of these MSIs on workers' conditions in an export-oriented GVC – the Kenyan tea value chain. For the impact part of this analysis, the three-dimensional concept of sustainable development has been chosen as one instrument to assist in the investigation. This assisted the investigation of these MSIs' impact on workers in the Kenyan tea value chain, as it necessitated a distinct examination of these MSIs' economic, social and environmental effects. The other part of this analysis aimed to instrumentalise the SDGs in order to judge the results of SQ 2a based on a universally ratified set of goals society has set itself to be achieved until 2030. Examining the latest research on MSIs, GVCs, CSR and the SDGs further assisted the analysis as it highlighted the characteristics and issues of these forms of private, collaborative governance. The notion of the restructuring of the global economy having lead to value chain struggles that entailed poor working conditions for workers in producing countries, while simultaneously attributing these conditions to the relative power of MNEs was particularly useful as it guided the research into the private sector's role in the Kenyan tea GVC (Neilson and Pritchard, 2011). Moreover, highlighting CSR theories proved relevant, because firms use their participation in MSIs to showcase their CSR efforts (Fransen, 2018). It became evident that the different schools of thought of CSR are also visible in practice, as the CSR efforts of MNEs in the Kenyan tea sector have been accused of having imperialistic tendencies, while also fulfilling political roles and applying a managerialist approach. This literature and theory review allowed a deepening of the understanding of the subject and in turn supported the analysis as it emphasised the issues that underpinned the research carried out for this thesis. Hassan and Lund-Thomsen's (2017) methodology and analytical framework provided a sound basis for this research and aided the investigation and evaluation of the selected MSIs. The case study design proved to be a valid approach to conducting this research and allowed for an exploration of the chosen research area.

One assertion and critique of these analysed standards is that the role of the private sector, especially that of the big multinational tea exporters – seven account for 90% of the Western tea trade and six account for over 65% of the tea traded at the Mombasa auction (van der Wal, 2008) - has changed from competing with the fair trade standards, which were originally intended as offering alternative routes compared to the conventional tea value chain followed by these MNEs, to applying them. Many academics claim that this has led to a watering-down of certain standards and that the tea estates that have a large share in the Kenyan tea production - though smaller than in other major tea producing and exporting nations -, which are owned by these MNEs, cannot be considered to fulfil the role that is ascribed to them as part of these standards (Blowfield and Dolan, 2010; Stathers and Gathuti, 2013). Van der Wal (2008) asserts that the private sector, particularly international tea buyers, should upscale their CSR efforts vis-à-vis their supply chain to circumvent value chain struggles and to ensure better rewards, such as higher prices and longer-term business relations for those farmers and estates that go beyond just fulfilling the minimum criteria. The current practices are further exacerbated by the auction system, which allows the private sector to leverage their power positions by enabling them to focus their GVC strategy mainly on quality and price instead of emphasising the best possible impacts on workers' conditions.

Furthermore, the role of the private sector appears to have changed as collaboration and knowledge exchange takes place in the tea sector, rather than competing on ethics through their own codes of conduct, which was a key feature of international tea buyers' CSR efforts (Loconto, 2014; Lund-Thomsen and Lindgreen, 2014). This change can in part be attributed to these MSIs. Moreover, the private sector was often also the driver of setting up these MSIs, such as ETP and ETI, which is not to claim that workers' conditions in the Kenyan tea sector have seen positive impacts across all dimensions of sustainable development or that everyone has benefited equally. Instead, the private sector, represented by and in these MSIs, has further changed its role to go beyond certification due to a number of perceived limitations of this approach. Loconto (2010)

describes audits and certification mechanisms as tick-box exercises that fail to acknowledge or address the more complex and multi-faceted issues these MSIs aim to tackle, such as poverty. Auditing fraud is a major weakness of this kind of compliance monitoring (Lund-Thomsen and Lindgreen, 2014). To illustrate, the limitations of the auditing and certification system of RA came to the fore in an elaborate 2011 study of Unilever's RA certified Kenyan tea estate, alleging widespread labour rights violations, gender and ethnic discrimination, sexual harassment of women, poor housing conditions as well as poor performance on freedom of association and collective bargaining and the list goes on (van der Wal, 2011). Moreover, despite the inclusion of complex and systemic issues in these standards such as discrimination against women in the form of sexual harassment and forced pregnancy tests (Kabiru, 2008), freedom of association, the right to collective bargaining and housing, the introduction and enforcement of these standards has had little effect on them. This in turn negatively impacts workers' conditions on all dimensions of sustainable development as well as their ability to break free from poverty. Furthermore, this demonstrates that the participation and implementation gaps highlighted in the MSI literature have not been sufficiently addressed. Thus, the notion emerges indicating that compliance and impact are not equal (Stathers and Gathuti, 2013).

This demonstrates the need for more integrated approaches and better coordination and partnerships to address systemic issues facing Kenya's tea sector, which in turn negatively influence workers' conditions and illustrate that the sector is still a long way from being sustainable. Directly relating to this is the fact that all of the MSIs reviewed have their own definition of sustainable development, which clearly diverts from the original meaning that was set out by the Brundtland Commission (Barkemeyer et al, 2014; Loconto, 2014). Loconto (2015) notes that the roles of these MSIs have changed to focus less on enforcing rules, but rather leveraging their networks characterised by a range of actors and instruments to create impact on global as well as local challenges. As part of these MSIs, companies now commit to going beyond auditing and certification mechanisms, which can be seen in the introduction of Farmer Field Schools, the support

of trainings organised by KTDA and further trainings for farmers and estate managers alike to address systemic issues in the Kenyan tea sector that cannot be solved by any one standard or institution (Team Up, 2017). FFSs, co-organised by MNEs such as Unilever, RA and KTDA, have proven to provide tangible benefits on a wide array of issues ranging from sound environmental management, the safe use of pesticides and sustainable agricultural practices. They have shown to have the most impact on the SDGs, as they increased smallholder productivity, cut their external costs of production and improved their economic and social conditions (Bergman et al, 2016). Another initiative that showed a positive impact on farmers and workers on social and economic conditions is the IDH Kenya Tea Program (IDH, 2018b). However, the research for this thesis also showed that more needs to be done to address the threat posed by climate change due, for example, to more erratic rainfalls and higher temperatures in order to train farmers in adaptation and mitigation practices (Gunathilaka and Tularam, 2016). ETP started an initiative in May 2017 in collaboration with KTDA, GIZ (the German Development Agency), MARS Drinks, and Taylors of Harrogate (Yorkshire Tea) that aims to improve energy management and in turn, reduce CO_2 emissions of the tea sector in Kenya (ETP, 2017). ETP also works on sustainable forest management techniques as the trees around tea plantations are often cut down for fuel (Minang et al, 2014).

This thesis was also met with a series of obstacles and limitations. For example, it was difficult to discern the exact role of the private sector as well as the historic development of the role of the private sector in these MSIs without primary research due to a lack of empirical research into these MSIs in Kenya. The triangulation strategy helped to overcome some of these obstacles, but ultimately could not overcome them in full. The divergence in transparency relating to these MSIs - see Appendix 6 - further complicated the pursuit of secondary research and meant that the comparisons between MSIs and their impact may also be skewed depending on the availability of data and research. Moreover, the available internal audit and impact assessment of these MSIs heavily rely on narrative reporting and entail a lack of methods by these MSIs to evaluate their

impact. The qualitative nature of the analysis in this thesis could also be criticised for not providing sufficient means to quantify the impact of these MSIs, though this was never the objective. The research design referring to the private sector could have been further differentiated between the role of smallholders and factories, estates and international buyers as well as Western supermarket chains, which may have allowed a deeper analysis. Though simultaneously, the scarcity of secondary data and research may have rendered such efforts idle. Ultimately, one can see that these MSIs have established highly bureaucratic structures regarding their legislative and judicial governance and that the role of private sector within them is ever changing and ambiguous. More collective efforts, both between the private sector, these MSIs and other institutions relevant to the Kenyan tea value chain, are needed in order to deliver real change and impact the workers' economic, social and environmental conditions in the best possible manner. To properly assess their impact on the SDGs entails that specific methods and frameworks have to be developed, which leads to the final chapter of this thesis.

Recommendations for Future Research

As the exploratory case study design necessitates, this chapter is dedicated to providing recommendations for future research. Hassan and Lund-Thomsen (2017) appear to be the first to focus on MSIs in GVCs, therefore this research needs to be extended, both in terms of methodological approaches and research frameworks that build on their approach, as well as theoretical explorations to assist practitioners and researchers alike in the endeavour to further develop this field of enquiry. Most importantly, this necessitates an academic exploration of how MSI impact can be measured accurately, both qualitatively as well as quantitatively. Moreover, whereas GVCs are industry-specific, not all MSIs are industry-specific, thus research is needed for those MSIs neglected by this notion. The analysis demonstrated that further conceptual research is needed that defines the characteristics and determinants of MSIs per se as well as to determine when a fair trade standard can be considered to be an MSI. In the case of ETP, an assessment into when a fair trade standard can be expressed or understood as

MSI may prove useful. Another particular obstacle encountered in this thesis is that no frameworks or guidelines exist that allow an investigation of the impact of MSIs specifically set up for the SDGs. Broadly, this demonstrates the need for studying MSIs from a development perspective. More narrowly, on the one hand, this may entail empirically investigating how existing MSIs for the SDGs define sustainable development and which issues they include in their initiative. In particular, further research into the interlocution/coordination function is required that builds on the research by Fowler and Biekart (2017). In turn, this research may develop into methodologies for comparatively researching MSIs for the SDGs, as they (ibid) briefly touched upon this issue. Moreover, combining fair trade MSIs with their relevance for the SDGs requires further investigation. It would be interesting to build this research on Blickling's (2016) paper on the SDGs from a global governance perspective and to then connect it to economic, social and environmental sustainability as well as SD more broadly. Additionally, it would be deeply interesting to combine fair trade MSIs with other theories and concepts. As a suggestion, this may entail examining Vellema and van Wijk's (2015) approach to connecting MSIs with co-creation theories in order to create further studies applying co-creation theories and concepts to MSIs to guide practitioners and researchers alike to make better use of this approach in MSI standard-setting.

What the research carried out in this thesis demonstrated is a critical need for more independent research into the impact of fair trade MSI standards on Kenyan tea farmers and workers as well as impact measurement techniques for this and similar GVCs. In particular, large-scale field research to assess MSI impact is required to advance this field of enquiry and contribute to knowledge creation with regards to the effectiveness of these MSIs in delivering positive effects for marginalised and poor producers. This may build on the assessments of van der Waal (2008, 2011) or Stathers and Gathuti (2013). To demonstrate, unlike with other conceptualisations of mechanisms or developments such as CSR, which is thoroughly researched nowadays and distinguishes several schools of thought, MSIs appear not to have spawned different schools of thought (yet). This is not to suggest that there need to be different schools of thought, Rather, this

serves to illustrate that MSIs are still an expanding field of study where the focus has less been on definitions and conceptualisation, but rather on effectiveness, power balance and legitimacy (Utting, 2013). As such, this could be tackled in future research. Concluding, this thesis revealed the need for further empirical and theoretical investigations into fair trade MSIs, measuring their impacts as well as their setup and governance, particularly in relation to the Kenyan tea value chain. It established the requirement for future research in this area as well as connecting the concept of fair trade MSIs to other phenomena and concepts and to examine potential synergies and trade-offs. The author hopes to have encouraged fellow students, researchers and practitioners alike to invest in this field of enquiry and produce knowledge that contributes to understanding it and developing it further with the aim of creating fair trade MSIs that truly achieve positive impacts for everyone.

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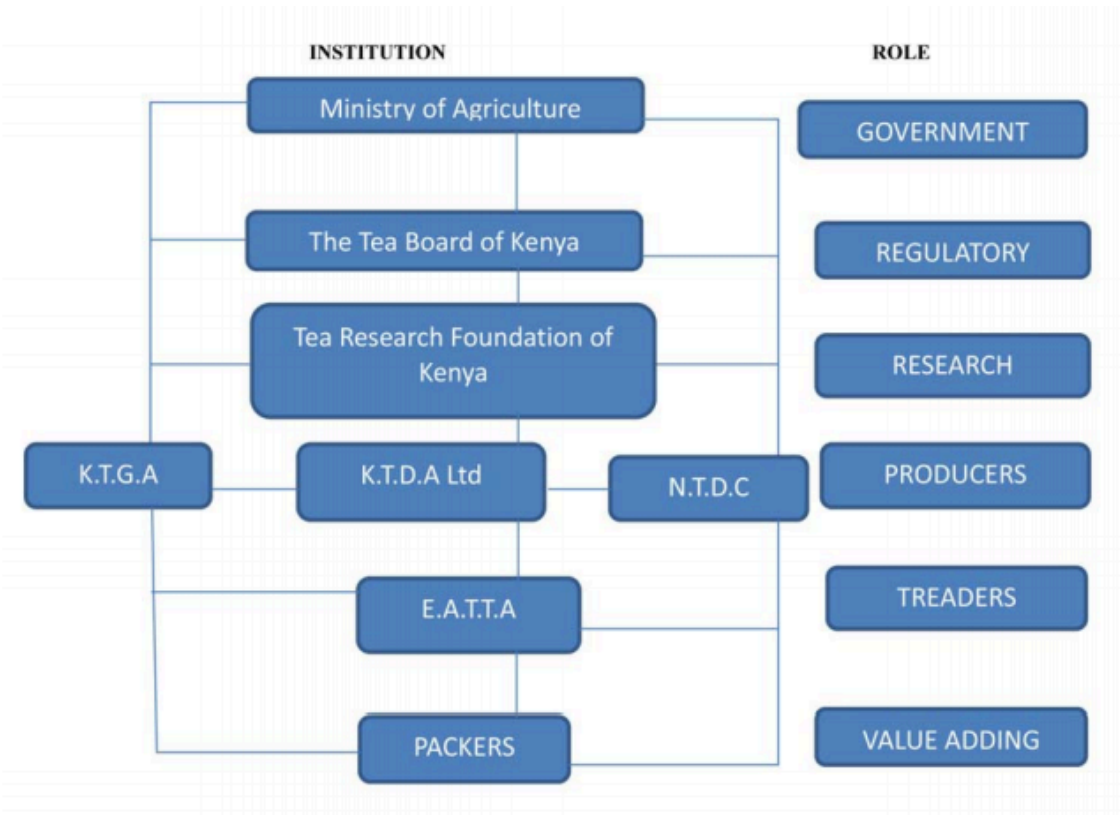
Appendix 1

Figure 1. Organizational structure of the tea industry in Kenya
Source: Tea Board of Kenya (2004)

Appendix 2

SDG 1: NO POVERTY

Target 1.1. By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day

Target 1.2. By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

Target 1.3. Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

Target 1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

Target 1.5. By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

SDG 2: ZERO HUNGER

Target 2.1. By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

Target 2.2. By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons

Target 2.3. By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment

Target 2.4. By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality

Target 2.5. By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed

SDG 5: GENDER EQUALITY

Target 5.1. End all forms of discrimination against all women and girls everywhere

Target 5.2. Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation

Target 5.3. Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation

Target 5.4. Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate

Target 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

Target 5.6. Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences

SDG 8: DECENT WORK AND ECONOMIC GROWTH

Target 8.1. Sustain per capita economic growth in accordance with national circumstances and, in particular, at least seven per cent gross domestic product growth per annum in the least developed countries

Target 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors

Target 8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium sized enterprises, including through access to financial services

Target 8.4. Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the Ten-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead

Target 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Target 8.6. By 2020, substantially reduce the proportion of youth not in employment, education or training

Target 8.7. Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms

Target 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

Target 8.9. By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products

Target 8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Target 12.1. Implement the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries

Target 12.2. By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

Target 12.3. By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

Target 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

Target 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Target 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

Target 12.7. Promote public procurement practices that are sustainable, in accordance with national policies and priorities

Target 12.8. By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

SDG 17: PARTNERSHIPS FOR THE GOALS

Target 17.1. Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection

Target 17.2. Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance (ODA/GNI) to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries; ODA providers are encouraged to consider setting a target to provide at least 0.20 per cent of ODA/GNI to least developed countries

Target 17.3. Mobilize additional financial resources for developing countries from multiple sources

Target 17.4. Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress

Target 17.5. Adopt and implement investment promotion regimes for least developed countries

Target 17.6. Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism

Target 17.7. Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed

Target 17.8. Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology

Target 17.9. Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation

Target 17.10. Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda

Target 17.11. Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020

Target 17.12. Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access

Target 17.13. Enhance global macroeconomic stability, including through policy coordination and policy coherence

Target 17.14. Enhance policy coherence for sustainable development

Target 17.15. Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development

Target 17.16. Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries

Target 17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Target 17.18. By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts

Target 17.19. By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries

Appendix 3

List of Critical Criteria

The following list contains all 45 Critical Criteria (37 for agriculture farms + 2 for group administrators + 6 for cattle farms) of the Rainforest Alliance 2017 Sustainable Agriculture Standard:

No.	Critical Criteria
1.1	Farm baseline assessment conducted
1.2	Sold product does not exceed harvest volume
1.3	Mixing of certified product with non-certified products prevented
1.4	Environmental and social impact assessment (ESIA) for major land conversion/major new farm infrastructure
1.5	Service providers are selected and monitored for compliance with applicable Critical Criteria
1.6	Management commitment for Standard implementation and compliance with applicable law
	For group administrator certification only:
1.13	Enrollment of all members recorded
1.14	Members' compliance with the Standard
2.1	No destruction of High Conservation Value areas after November 2005
2.2	No conversion of forests and other natural ecosystems in the past five years or after January 2014
2.3	No negative effects on protected areas
2.4	No hunting
3.1	Wastewater from processing operations meets quality parameters
3.2	Sewage is not discharged into aquatic ecosystems
3.3	Develop and implement an Integrated Pest Management (IPM) plan
3.4	No use of Rainforest Alliance prohibited pesticides and application of only legally registered pesticides
3.5	Conditions for aerial fumigation
3.6	Rainforest Alliance certified crops do not contain GMOs
3.7	No use of human sewage in production or processing activities
4.1	No forced labor
4.2	No mistreatment of workers; no sexual harassment
4.3	No discrimination
4.4	Freedom of association and collective bargaining
4.5	Payment of minimum wage
4.6	No worst forms of child labor
4.7	Child laborers (under 15 years) not contracted and conditions for young workers (15-17 years)
4.8	No avoidance of benefits
4.9	Grievance mechanisms for workers
4.10	48 regular working hours and one rest day per week
4.11	Regulations on overtime
4.12	Access to drinking water
4.13	Basic conditions for housing
4.14	Develop and implement an Occupational Health and Safety plan
4.15	Use of Personal Protective Equipment (PPE)
4.16	Training on pesticide risks for pesticide handlers
4.17	All pesticide handlers use bathing facilities after application
4.18	Avoiding risk tasks for pregnant or nursing women
4.19	Legitimate land use rights
4.20	Free, Prior and Informed Consent (FPIC)

Appendix 4

1. Employment is freely chosen

2. Freedom of association

3. Working conditions are safe and hygienic

4. Child labour shall not be used

5. Living wages are paid

6. Working hours are not excessive

7. No discrimination is practiced

8. Regular employment is provided

9. No harsh or inhumane treatment is allowed

Appendix 5

Social Provisions	Environmental Provisions
- Freely Chosen Employment - Freedom of Association and the Right to Collective Bargaining - Health and Safety - Child Labour - Wages and Benefits - Working Hours - Discrimination - Regular Employment - Disciplinary and Grievance Procedures	- Environmental Management Systems - Agrochemicals - Soil Conservation - Ecosystem Conservation - Water Conservation - Energy Use - Waste Management

Appendix 6

TABLE 3.7 AVAILABILITY OF DOCUMENTS AND DECISIONS ONLINE.[35]

Type of information	Information detail	4C Association	BCI	Bonsucro	CmiA	ETP	Fairtrade	FSC	GLOBALG.A.P.	IFOAM	PEFC	ProTerra	RSB	RSPO	RTRS	SAN/RA	UTZ
Decision makers	List of board members	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	List of committee members	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Decisions	List of compliant enterprises	✓					✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
	Certification decisions			✓			✓	✓	✓		✓	✓	✓	✓	✓		
Documents	Committee meeting minutes and records		✓						✓					✓	✓		
	Standard-setting and review procedures	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Independently audited full financial statements	✓					✓	✓		✓	✓	✓			✓	✓	
	Annual report	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓