

October, 2020



Sustainable Trade – No Aid

**Sustainable Global Value Chain Management in the
Cacao Industry · taking a Collaborative Approach**



Anna Verbrugge

Master's Thesis for the Environment
and Society Studies programme

Nijmegen School of Management

Radboud University

If you want to go fast, go alone. If you want to go far, go together – African saying (Mout, 2019)

Colophon

Document title: Sustainable Global Value Chain Management in the Cocoa Industry · taking a Collaborative Approach

Project: Master thesis (MAN-MTHCS)

Date: October 25, 2020

Word count: 30124

Version: Concept version

Author: Anna Verbrugge

Student number: 1039167

Education: MSc Environment and Society Studies, Radboud University

Supervisor: Rikke Arnouts

Second reader: S. Veenman

Abstract

This research aims to define what is missing in the current business approaches of chocolate companies that sustainability issues in the cocoa sector are commonplace. Despite the many initiatives of the companies and many billions of dollars spent by stakeholders to strengthen sustainability in the industry, real solutions seem a long way off. Chocolate companies seem busier with improving their own chains than with developing a holistic action plan to tackle the structural issues in the sector. To this end, this research examines what it is that makes a global value chain sustainable and how chocolate companies could drive sustainable change beyond their chains. By taking a collaborative approach, this research explores how a collaborative approach within and beyond the chains can help chocolate companies to scale up sustainability solutions and to make a greater sustainable impact in the sector as a whole.

To explore the potential added value of a collaborative approach, a case study is conducted on three chocolate companies and sustainable pioneers in the cocoa industry: Tony's Chocolonely, Divine Chocolate and Zotter. All companies take a clear sustainable approach in their chain management, which is as well being reflected in their approach to collaborations within their chains. Collaborating is seen as a natural part of doing business by all, and especially in relation to the farmers, the companies attach great value to having equal relationships with their chain partners. While building local capacity, they aim to listen to, learn from and share knowledge, skills and knowhow with their chain partners, and to work together on sustainability solutions for the chain. Altogether, the different kind of collaborations with chain actors contribute to sustainable relationships, and sustainable businesses and livelihoods within the chain.

Looking beyond the chain, the companies are engaged in various collaborative initiatives. From joint projects with NGOs to strategic alliances with public leaders, and from joining forces with other companies to getting engaged in multi-stakeholder initiatives with universities and retailers; all support one way or another positive change beyond their chains. Here, most of the collaborative efforts are centered in cocoa consuming countries where the chocolate companies are headquartered. Standing closer to public and social stakeholders in their countries than in the cocoa producing countries, it seems easier for them to get involved in collaborations at 'home'. And this approach seems to yield fruit. As state governments in the cocoa consuming countries are increasingly pressuring chocolate companies to take care of the sustainability issues at the other side of their chains, the dialogues entered with public stakeholders seem to be of great value to drive structural change in the cocoa chains.

Yet, it is being questioned to whether this will be enough to drive sustainable change in the cocoa sector as a whole. As it is argued by stakeholders, chocolate companies should invest more in strategic alliances with stakeholders in the cocoa producing countries. As this will allow the companies to gain a better understanding of the local issues, the local context and local perspectives, it will help them to effectively address issues in their chains. By joining forces with local stakeholders in cocoa producing regions, the companies might be better able to create tailor-made solutions for their chains and to scale up sustainable initiatives for the region and sector. Thereby, a supportive enabling environment will help the companies to promote collective action in the sector and to create a holistic road map for sustainable change beyond their chains. Collaborating could as such enable the chocolate companies to make a greater sustainable impact in the cocoa sector as a whole.

Acknowledgments

Before diving into the matter at hand, I would like to use this opportunity to thank a bunch of awesome people that were of great help during the process of writing this thesis. Including my thesis supervisor Rikke Arnouts. Especially in the beginning, when I got pretty overwhelmed with the information that has already been written on cocoa chains and sustainability and I got the feeling of ‘wanting to include everything’, you helped me a lot in bringing focus to my research and to choose a particular angle for my study. Thanks for bringing clarity in my – sometimes - fuzzy head and for the to-the-point feedback; I really appreciated that :)

Looking back to the past few months, I am furthermore really grateful that I could combine my thesis writing with an internship at CBI. At CBI, I got the chance to look into the field of international trade, global supply chain management and corporate social responsibility. Working on different projects, in different sectors and countries, I could see how CBI as a stakeholder deals with sustainability issues in global value chains, and aims to steer companies in certain sectors in more sustainable and successful pathways. Which was besides very interesting also very helpful for my thesis - taken with the collaborative approach and idealistic, but also realistic mindset. I would like to thank my colleagues and supervisors at CBI for being very open and flexible, and in special Liesbeth Aben, Ron Van Meer, Femke Lotgerink, Lisanne van Beek, Sandra Bruinse, Daphne ter Braak and Irene Ebrahimi Darsinouei for their time to share their expertise and experiences, their feedback on my thesis, pep talks, and most of all their passionate and inspiring stories.

Lastly, I would like to give a thanks to all the people that helped me in any other way: the interviewees, the brainstormers, the ones that had to bear me when I was not in the best mood (thanks family). Thank you all.

Dictionary

- i. **Collaborative approach:** This approach is based on coordination and collective action in the context of global value chains and the cocoa sector (Medda et al., 2017), and covers in this research as well collaborations with actors *within* the chain as private, public and social stakeholders *beyond* the chain (Gereffi & Lee, 2012). By working together, sharing and joining efforts in the broadest sense of the word, chocolate companies could be helped to drive sustainable change in the cocoa sector.
- ii. **Global value chain:** A value chain does cover ‘*the full range of activities that firms and workers do to bring a product/good or service from its conception to its end use and beyond. This includes activities such as design, production, marketing, distribution, and support to the final consumer.*’ Whereas a value chain can be linked to just a single geographic location and a single company, a *global* value chain is linked to multiple companies and multiple geographic spaces (GVCC, 2017).
- iii. **Corporate social responsibility:** In the context of international trade, corporate social responsibility (CSR) is regarded as ‘*the responsibility of enterprises for their impacts on society*’ (International Trade Centre, 2020). To establish sustainable trade, entrepreneurs are seen obligated to pursue policies and practices ‘*which are desirable in terms of the objectives and values of our society*’ (Bowen, 2013, p. 6, in: Puffer & Barbutiu, 2015, p. 4).
- iv. **Enabling environment:** The enabling environment exists of a combination of elements that shape the context of global value chains. These elements can be economic, political, administrative and socio-cultural, and can be resources. Together, they shape the set of conditions that influence the extent to which actors and stakeholders (can) get engaged in ‘*development processes in a sustained and effective manner*’ (Thindwa, 2001, p. 3, in: Brinkerhoff et al., 2017; Akhtar-Schuster et al., 2011).
- v. **Shared value:** The concept of shared value is shaped by the ‘*policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates*’. In the context of international trade, the *shared* part focuses on expanding the value –economic and societal – throughout the chains (Porter & Kramer, 2011, p. 6).

Keywords: Global value chain management, sustainability, cocoa chains, chocolate companies, collaborations, multi-stakeholder initiatives, corporate social responsibility, shared value, system-wide change

Content

Colophon	ii
Abstract	iii
Acknowledgments	iv
Dictionary	v
1. INTRODUCTION	VIII
1.1 Problem statement	1
1.2 Research aim and question	2
1.3 Social relevance	2
1.4 Scientific relevance	3
1.5 Reading guide	4
2. THEORETICAL BACKGROUND	5
2.1 Sustainable global value chain management	6
2.2 Taking a collaborative approach	9
2.3 Concluding considerations	18
3. METHODOLOGY	19
3.1 Research paradigm	20
3.2 Research strategy	20
3.3 Case selection	21
3.4 Research methods and data collection	21
3.5 Reliability and validity	22
4. RESULTS: CHAINS FOR CHANGE	23
4.1 Introduction cases: Background of chocolate companies	24
4.2 Collaborations within the chain	27
4.3 Collaborations beyond the chain	36
4.4 Taking a collaborative approach: Benefits and pitfalls	42
4.5 Concluding considerations	44
5. CONCLUSION	45
5.1 Collaborating for sustainable chains	46
5.2 Scaling up sustainability solutions beyond the chain	47
5.3 Towards a sustainable cocoa sector	48
6. REFLECTION	49
6.1 Recommendations for chocolate companies	50
6.2 Limitations of research and choices made	51
6.3 Suggestions for further research	52

Annexations	54
Bibliography	55



INTRODUCTION

Table of contents

Problem statement

Research aim & question

Social and scientific relevance

Reading guide



We want to ensure that cocoa is sustainably grown, sourced and managed across our supply chain – Nestlé, 2019

We work directly with the farmers and pay higher prices for better quality organic cocoa beans – Theo Chocolate, 2020

Our plan focuses on three key areas: Healthy Planet, Thriving People and Nourishing Wellbeing – Mars, n.d.

Nestlé, Theo Chocolate, Mars – all chocolate companies that took the initiative to source their cocoa in a more sustainable way. And they are not alone. A growing group of companies in the cocoa industry is making efforts to address sustainability issues in their chains and to support the farmers in their businesses and livelihoods (Hotse Smit, 2018; The Good Trade, n.d.). So that they are able to gain a better life. A 'normal' life. By managing their chains more responsibly, the companies aim to support their farmers and to strengthen their chains sustainable-wise (D'Angremond, 2018).

1.1 Problem statement

Despite the statements above of companies such as Nestlé, Theo Chocolate and Mars, little has changed so far in the cocoa sector as a whole. Looking at the Ivory Coast, in the heart of the cocoa production, farmers earn 78 dollar cents a day, on average, while the liveable income is set at 2.10 dollars a day¹. As this causes children have often also to work on the farm to earn some extra money for their families, this is not the only challenge farmers are dealing with. Another issue, deforestation is a widespread problem in cocoa producing countries. Being it a threat for the industry and a growing concern for the cocoa communities - especially in these times of climate change, the farmers often feel they have no other choice to meet with the global market demand. The sustainability issues are thus major, despite the multiple companies that 'go' sustainable and that try to make a difference in the sector (D'Angremond, 2018).

The Cacao Barometer (Fountain & Hütz-Adams, 2018) provides a possible explanation, pointing out that the solutions attached are being disproportionate to the wide range of problems. As chocolate companies and stakeholders have their own approach, there are no clear objectives to tackle the sustainability issues together. An integrated strategy seems thus lacking, which is a loss since a collective and more holistic road map would help to address the sustainability issues more holistically and effectively (Matissek et al., 2012; Dendi, 2016). Yet, currently, chocolate companies seem mainly focused on improving the situation in their own chains and less on creating shared value and sustainability in the cocoa sector as a whole (D'Angremond, 2018).

In an effort to investigate how chocolate companies can make a bigger impact in the sector, this research will look upon the value of collaborations to scale up sustainability solutions beyond their chains. As stated, the current sustainability challenges in the sector *'call for a wide collaboration among multiple stakeholders, as the needed changes exceed the capacity and capability of individual actors'* (Camarinha-Matos, Afsarmanesh & Boucher, 2010, p. 1). The International Trade Centre (2020) backs this up, and argues that getting more stakeholders involved in sustainable initiatives will heighten the chances of sustainable success in the sector. To this end, a collaborative approach might be one piece of the solution to address sustainability issues in the sector holistically - making the solutions proportionate to the issues that are embedded in the wide range of the sector. With these promising prospects in mind, this study will explore to what extent a collaborative approach can enable chocolate companies to scale up sustainability solutions in the cocoa sector.

¹ The farmers and liveable income aligns to the year 2018, when Fairtrade International examined the household income of cocoa farmers in the Ivory Coast and strategies for improvement for its research 'Cocoa Farmer Income'.

1.2 Research aim and question

Overall, this research aims to contribute to the ongoing debate and search on how to make global value chains more sustainable by looking into a sector that is known for its social injustices and environmental challenges: the cocoa sector. By exploring how a collaborative approach can be of value for chocolate companies to drive sustainable change in the cocoa sector, this research aims to build on the existing literature on this matter and insights on sustainable global value chain management. This way, this research will hopefully provide a more integrated approach with valuable insights for chocolate companies - helping them to make both their own and their neighbors' chains more sustainable.

This leads to the following main research question:

To what extent can a collaborative approach enable chocolate companies to drive sustainable change beyond their cocoa chains?

To answer the main question, the following sub-questions will be discussed:

1. To what extent do chocolate companies invest in sustainable collaborations within their chains?
2. To what extent do chocolate companies work together with stakeholders beyond their chains to scale up sustainable initiatives in the cocoa sector?
3. What benefits and pitfalls do chocolate companies experience when pursuing a collaborative approach beyond their chains?

By first looking generally at the principles underlying sustainable global value chain management, a holistic context will be shaped before focussing on the elements that contribute to sustainable collaborations and the potential value of a collaborative approach for sustainability within and beyond the chains. To this end, the holistic context will serve as a framework, while exploring to what extent a collaborative approach can enable chocolate companies to drive sustainable change within and beyond their cocoa chains.

1.3 Social relevance

This research aims to support chocolate companies to scale up sustainable initiatives in the cocoa sector. By exploring how chocolate companies can incorporate collaborative initiatives within and beyond their chains, this study aims to lighten up opportunities and possibilities and to provide new insights and recommendations for chocolate companies that aim to make a greater sustainable impact in the regions they are active.

Here, especially collaborating with state governments seems now more than ever relevant. As governments are gradually taking a stronger position in the public debate on the sustainability issues within global value chains, it has become increasingly interesting for chocolate companies to align with these stakeholders (Aboa & Bavier, 2019; Ortjens, 2019). By exploring how private-public collaborations can be incorporated in chains for sustainability purposes, this study aims to provide valuable insights for chocolate companies how to make a greater impact through steering the political enabling environment (International Trade Centre, 2020).

While the research is focused on sustainable pioneers in the cocoa industry, it might also be interesting for more commercial-oriented actors in the industry. As Azapagic (2003) states, *'it makes business sense to be more sustainable'*, also for more commercial and self-interested companies it could be attractive to invest in sustainable collaborations and sustainable initiatives within and beyond the chains (Enright et al., 2018; table

1). As it can enable the chocolate companies to penetrate new and higher segments of the international market and to stimulate innovative practices, it can also provide the opportunity to improve the (working) conditions and productivity within their chains (Azapagic 2003; International Trade Centre, 2020). Altogether, these benefits can enable the companies to establish a business performance that is greater *‘than would be achieved by the firms individually’*, and to gain a competitive advantage in the international cocoa market (Lambert, Emmelhainz & Gardner, 1996, p. 2; Fearne, Martinez & Dent, 2012).

Yet, the most prevailing and pressuring reason for chocolate companies to collaborate and to act sustainable might be more resource related. As Thorlakson (2018) points out, the *‘adoption of sustainable sourcing might also be a response to business needs when companies use [...] to ensure access to raw materials’* (p. 1654). Chocolate companies might just get no other choice than to invest in sustainable relationships and sustainable initiatives as this will be essential to ensure the cocoa supply of tomorrow.

Table 1: Motivations for companies to get engaged in collaborations (Enright et al., 2018)

Strategic opportunity creation/ problem resolution	<ul style="list-style-type: none"> ■ Co-investing in new market opportunities ■ Building resilient, sustainable supply chains ■ Overcoming regulatory barriers ■ Sharing the risk of new approaches with peer organizations
Leveraging financial resources	<ul style="list-style-type: none"> ■ Accessing donor funding ■ Mobilizing and optimizing pooled resources toward a common purpose
Influencing others	<ul style="list-style-type: none"> ■ Shaping industry standards ■ Influencing policy and garnering political support ■ Encouraging behavior change
Gaining access to partner assets	<ul style="list-style-type: none"> ■ Accessing new networks ■ Accessing technical support and complementary skills ■ Accessing new technologies ■ Accessing information and knowledge
Improving legitimacy, credibility, or visibility	<ul style="list-style-type: none"> ■ Enhancing brand value and reputation ■ Inspiring, attracting, and retaining top talent ■ Building legitimacy and support for a preferred approach

Acting more sustainable is thus besides satisfying a strategically smart thing to do. It will ‘unlock numerous opportunities to improve competitiveness and enhance reputation’ (Azapagic, 2003, p. 304), and as the ITC (International Trade Centre, 2020) argues: *‘by getting involved in CSR, you will not only make yourself ready for the future, you also position yourself to take advantage of opportunities’*. And because it effects the core business of the company, investing in sustainability will be beneficial for both ‘the growth, profitability and survival’ of chains and the companies (Kolk & Van Tulder, 2010, p. 3). In this light, this research aims to encourage both idealistic and more commercial-driven chocolate companies to take care of their chains and to contribute to a sustainable sector.

1.4 Scientific relevance

Currently, the literature surrounding sustainable global value chain management in the cocoa sector is mainly focused on one or a few sustainability components. Such as transparency (Mol, 2015), partnerships (Deans, Ros-Tonen & Derkyi, 2018), codes of conduct, and certification (Paschall & Seville, 2012). Yet, this research will take a rather different approach by first looking holistically on the question ‘what makes a global value chain sustainable?’ Bringing together the main actors, stakeholders and elements that characterize sustainable collaborations within and beyond the chains, a more integrated approach upon sustainable global value chain

management will be constructed. This holistic approach makes this research unique compared to other studies done on this matter, whereas the sustainable elements might come in handy when scientists, actors and/or stakeholders are seeking a holistic set of elements that contribute towards sustainable global value chains.

Thereby, this study seeks to build upon the sustainable approaches that support the chocolate companies to strengthen sustainable businesses within and beyond their chains. For a long time, certification was regarded *the* solution towards sustainability. Though, as of now, there is increasingly doubt whether certification will be sufficient to ensure sustainability within global value chains. Scientists and stakeholders are increasingly seeking new ways - that show better prospects in tackling the sustainability issues in the chains (Thorlakson, 2018). A collaborative approach is one of the upcoming and promising approaches.

We had thought that if we help companies achieve certification, we could make the industry sustainable ... But after some time we realized this wasn't true – an NGO in Thorlakson, 2018, p. 1658

We really saw it [certification] as a savior 20 years ago ... But now we are much more critical of the approach – a NGO in: Thorlakson, 2018, p. 1658

Yet, it has still to be proven whether collaborative initiatives are indeed that effective to tackle sustainability issues in the chains. As multiple scientists acknowledge '*a real transition towards sustainable development is only possible through collaborative action*', most studies until now focused on how chocolate companies individually can make a sustainable impact in their chains (Gallo, Antolin-Lopez & Montiel, 2012, p. 4). To this end, this study will rather focus on how collaborating and joining forces might enable the companies to address sustainability issues at a wider scale and to drive sustainable change in the sector.

On a final point, this research might encourage other researchers to do more comparing research – comparing cases, bringing indicators, obstacles and success factors together, and using existing information to come up with new conclusions and insights. This way, scientists can make existing theories and information assembled more relevant, graspable and practical for businesses and wider society.

1.5 Reading guide

In the next chapter, a context will be given on global supply and value chains, corporate social responsibility and the different kind of collaborative initiatives within and beyond the chains. In chapter 3, the methodology and philosophy behind the research will be discussed. In chapter 4, it will be explored how three chocolate companies and sustainable pioneers in the cocoa industry have incorporated collaborative initiatives within and beyond their chains to either support or drive sustainable change in the cocoa sector. To that end, chapter 5 will focus on to what extent a collaborative approach can help the chocolate companies to drive sustainable change beyond their chains.



THEORETICAL BACKGROUND

Table of contents

Sustainable global value chain management

Taking a collaborative approach

Concluding considerations



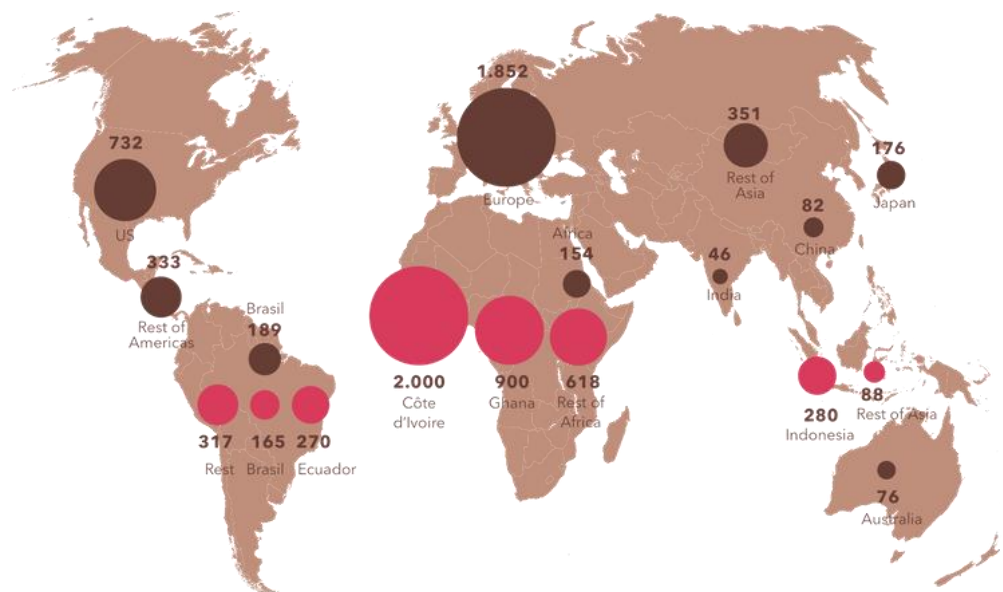
Before diving into the matter surrounding collaborations and sustainability within and beyond cocoa chains, this chapter will provide at first some context on sustainable global value chain management. Subsequently, it will focus on the specific angle of this research that is the collaborative approach. Discussing the different sustainable elements and concepts of a collaborative approach, a framework will be constructed that will shape the further part of this research.

2.1 Sustainable global value chain management

2.1.1 FROM GLOBAL SUPPLY CHAIN TO GLOBAL VALUE CHAIN

Cocoa is a classic example of a product that is inherently connected to international trade. Being it a tropical product and demanded by mainly Northern based chocolate companies, the companies are used to do business in the tropical parts of the world (Ross, 2014). From the early 1880s, the companies are importing the cocoa beans from mainly Latin American and African countries, after they process the beans at their own continent to be later be sold on mostly European and North-American markets. These intercontinental steps in the trade process make that cocoa chains can be referred to as *global* supply chains - in which farmers, traders, grinders and chocolate companies shape together the chain (Kroeger et al., 2017; figure 1, Cocoa Barometer, 2018).

Figure 1: Cocoa production in 2017/18 (red colour) and domestic consumption in 2015/16 (brown colour), in 1,000 tonnes (ICCO, 2018)



It was however until the mid-1960s that international trade became more common in the wide range of doing business. Supported by the growing access to upcoming markets, technological innovations, and the rise of ‘economies of scale’, more and more importing companies looked beyond their national borders (Bhatnagar & Viswanathan, 2000). The rise of globalization and international trade resulted in the standardization of global supply chains², in which importing companies re-organized their chains, connected with suppliers offshore, and invested in production and distribution facilities to sell their products in international markets (Gereffi & Lee, 2012; Bhatnagar & Viswanathan, 2000).

Today, the importing companies have gained a dominant position in their global supply chains, including the chocolate companies. They have invested in production handling, processing facilities and storage systems,

² Global Value Chains (GVC) are officially factories that cross international borders (Taglioni & Winkler, 2016, p. 1).

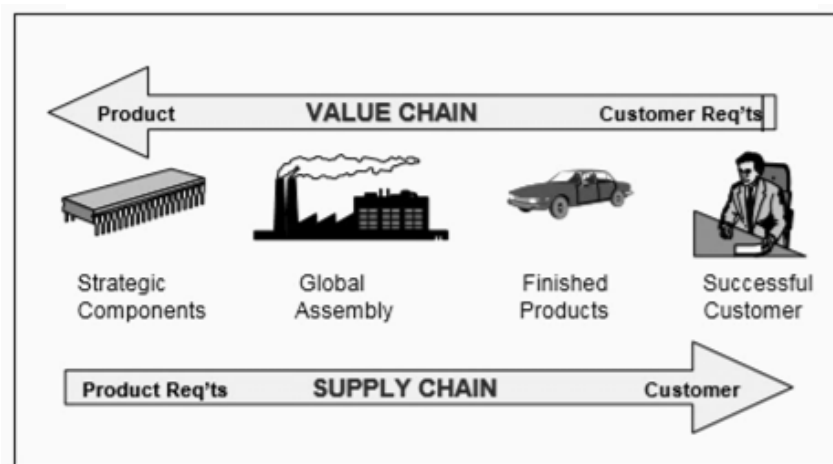
and have implemented testing procedures to ensure that the product's quality and safety complies with the global market standards. While the companies were in the past the *producers* of the products, they are now *the buyers* who decide where and how their products are made. In this light, global supply chains have shifted from being producer-driven to buyer-driven in which the importing companies have gained influence in their chains (Maertens, Minten & Swinnen, 2012; Gereffi & Lee, 2012).

The emergence of global supply chains has led to growing competition among companies and chains that are active in the same sector. To remain competitive in the international market, it is no longer good enough to manage the chain the most efficiently. Instead, it is now more about adding 'value' to the product as well as to the chain. As a pioneer in global supply chains, chocolate companies are familiar with seeking new ways to differentiate themselves and to gain a competitive advantage in the international market. In this context, scientists are speaking less of global *supply* chains, and more often of global *value* chains (Drost, Van Wijk & Vellema, 2010).

2.1.2 GLOBAL VALUE CHAINS FROM DIFFERENT PERSPECTIVES

In his book 'Competitive Advantage' (1985), Michael Porter introduced the concept of a global *value* chain. Porter interprets here value from a Strategic Management perspective, and defines it as '*the amount buyers are willing to pay for what a firm provides*' (Feller, Shunk & Callarman, 2006, p. 5). Connecting value to the retail side, a product is of value when it meets the wishes of the customer. This view is individualistic-minded. Companies have to act strategically, and the chain is valuable when it has generated maximal profits and has provided the company with a better position in the international market (Drost, Van Wijk & Vellema, 2010). In other words, '*value chains [should] generate profits*' (Feller, Shunk & Callarman, 2006, p. 1; figure 2).

Figure 2: A supply chain compared with a value chain (Feller, Shunk & Callarman, , 2006)



However, this research looks upon value from a development perspective. From this perspective, value is not related to the retail side but embedded in all parts of the chain. Or as Gereffi and Lee (2012) state, in '*the full range of activities that firms and workers perform to bring a specific product from its conception to its end use and beyond*' (p. 25). This perspective is holistically-minded, and touches as well upon the importance of global linkages among networks, countries and societies. All actors within the chain are of interest, just like their activities and policies (Gereffi & Lee, 2012; Drost, Van Wijk & Vellema, 2010). Thus, the purchase of a product has to be seen in the wider perspective of the chain, in which importing companies manage their chains holistically (Lindgreen et al., 2009; Christopher, Peck & Towill, 2006).

Following this line of perspective, chocolate companies should aim to distribute benefits and risks throughout the chain - as this will contribute to the overall competitiveness and health of their chain and business (Fearne, Martinez & Dent, 2012). In line with this perspective, this research explores how and to what extent chocolate companies can strengthen shared value within their cocoa chains by taking a collaborative approach. A term closely connected to the 'value' within global value chains, is corporate social responsibility. In the next part, it will be discussed how corporate social responsibility is embedded in sustainable global value chains.

2.1.3 CORPORATE SOCIAL RESPONSIBILITY

In the past decades, importing companies have increasingly pressured the value within their chains. Putting their interests above the interest of their suppliers in negotiation talks, they are often well aware that their use of negotiation power affects the businesses and livelihoods of their future partners in the chains. This strategy of companies was unnoticed for long, but now a growing group of stakeholders has gotten wind of this and has called upon companies to take more responsibility and to respect the 'value' at the other side of the chain (Lindgreen et al, 2009).

The growing awareness of injustices in global value chains led to the term Corporate Social Responsibility, often being shortened to CSR. One of the pioneers in CSR-thinking is Howard R. Bowen (2013), who defines corporate social responsibility as the obligations businessmen have *'to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives values of our society'* (p. 6). Companies should behave as responsible, social citizens, and imbed sustainable policies and practices in their chain – by acting not only out of their interests but out of the benefit of the entire chain and society (Chi, 2011). This research follows this line of CSR, seeking how chocolate companies *'can not only act out of their own interest but for the benefit of the whole chain and society'*.

If a corporate sustainability strategy is to be successful, it must emerge from and be embedded into the business vision and strategy. Corporate sustainability is not an 'add-on' as often assumed by some; rather, it should be viewed as an 'umbrella' tool which helps business identify and manage economic, environmental and social risks in an integrated way – Azapagic, 2003, p. 304

Here, the research aligns with the definition of the European Union that defines CSR as *'the responsibility of enterprises for their impacts on society'* (International Trade Centre, 2020). The 'enterprises' or companies can either take a more pro-active or reactive approach. Companies that take a pro-active approach will sooner take the initiative to create e.g. partnerships, to arrange fair prices and wages, and to set joint standards within their chains, while companies that prefer instead a more reactive approach will sooner take minimal measures in terms of sustainability as they act more often out of response to external pressures than intrinsic motivation. As a consequence, reactive companies transfer responsibilities often to other actors within the chains that are made responsible for taking care of sustainability issues at their department of the chain (Van Tulder, 2009).

As this research acknowledges that CSR is not a 'one-size-fits-all' approach, it encourages companies to act more pro-actively and to take themselves the responsibility to improve the conditions within their chains. For the farmers, but also for the communities and society as a whole. Taking Corporate *Societal* Responsibility will in this sense contribute towards sustainability in the cocoa sector as a whole (Van Tulder, 2009).

One of the ways chocolate companies can take social responsibility within their chains and support society beyond is by taking a collaborative approach in their way of doing business. The further part of this research will focus on the value of this approach, by exploring the added value of collaborative initiatives for chocolate companies to contribute to sustainability within and beyond their chains. To this end, the research aligns with Max Havelaar, who states that for sustainable development to be successful, collaborating will be key:

Achieving sustainable development through a combination of economic, social and environmental upgrading can't be accomplished by individual companies, no matter how powerful they may be. Instead, the triple bottom line of sustainable development requires a collaborative approach to getting a broad range of supply chain actors, including lead firms and their suppliers, labor and environmental advocacy groups, and regulatory agencies, to cooperate in defining ambitious yet obtainable objectives and appropriate standards to improve social and environmental conditions
- Van Tulder, 2009, p. 58

2.2 Taking a collaborative approach

Seeking what will be needed to drive sustainable change in the cocoa sector, a collaborative approach shows promising prospects. As it is previously stated, chocolate companies seem more focused on improving their own chains than on strengthening the sector as a whole (Matissek et al., 2012; Dendi, 2016; D'Angremond, 2018). To address more effectively sustainability issues that cover the entire sector, a collaborative approach might be a piece of the solution. As collaborations are applauded for their ability to overcome the limitations that withhold companies to solve issues on their own, taking a collaborative approach might enable chocolate companies to tackle the issues more holistically and to scale up sustainability solutions beyond their chains. By expanding their reach, collaborating might enable the companies as such to strengthen sustainable change within as well as beyond their chains (Hazlewood, 2015; International Trade Centre, 2020).

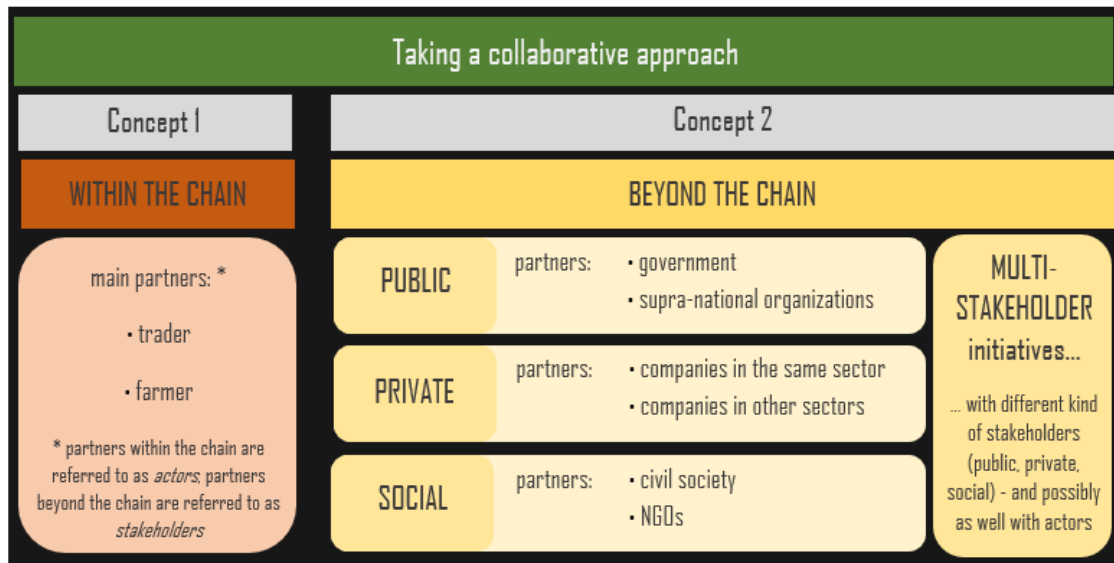
It is particularly evident that the challenges of sustainability call for a wide collaboration among multiple stakeholders, as the needed changes exceed the capacity and capability of individual actors - Camarinha-Matos, Afsarmanesh & Boucher, 2010, p. 1

Here, the chocolate companies can either collaborate with actors within their chains and stakeholders beyond their chains. As collaborating with chain actors can help the companies to improve their chains sustainable-wise and to take care of sustainability issues at the other side of their cocoa chains, it is argued that more will be needed to address the sustainability issues in the wide range of the sector. To address the issues effectively, stakeholders call for a wider collaboration among multiple stakeholders (Camarinha-Matos, Afsarmanesh & Boucher, 2010, p. 1). The ITC (International Trade Centre, 2020) backs this up, stating that *'getting more stakeholders involved by working together with civil society organizations (CSOs), corporations, citizens, research organizations and governments will ensure that CSR initiatives have a much better chance of success'*.

Therefore, collaborating with stakeholders beyond the chain seems essential to scale up sustainable solutions and to make a greater impact in the sector. Taglioni and Winkler (2016) back this up, and state that companies can open doors with their businesses but *'are not magical'* (p. 3). To become successful in creating a triple bottom line in the sector - in which proper working conditions, economic profitability and nature conservation are ensured (Van Tulder, 2009), the enabling environment of the chains should be supportive and align with the companies' goals to drive sustainable change within and beyond their chains (Taglioni & Winkler, 2016).

To this end, this research looks upon collaborative initiatives within and beyond cocoa chains including both chain actors and stakeholders (figure 3).

Figure 3: Taking a collaborative approach (conceptual framework)



Following the conceptual framework of figure 3³, the study will explore to what extent chocolate companies take a collaborative approach within and beyond their chains and can by doing so steer towards sustainable change in the sector.

2.2.1 COLLABORATIONS WITHIN THE CHAIN

Collaborations that are initiated within the chains are *horizontal* ways of collaborating. These can either be initiated by top-down



actors, which are the chocolate companies, or bottom-up actors, meaning the traders and/or farmers. The grinders are not too much involved in collaborations. The traders and cocoa farmers are the main partners for the chocolate companies within the chain. In the past years, chocolate companies are increasingly working more closely together with farmers in their chains. A growing number of companies has decided to invest in farmer's support programmes in which they support the farmers to gain access to production inputs, financial resources and market information, and to improve their production practices and position in the international market (Thorlakson, 2018). By pursuing a collaborative approach, the companies can share more easily skills and knowhow with the farmers, strengthening cooperation and trust among their chain partners and creating a shared vision with the actors in the chain (Fearne, Martinez & Dent, 2012; Cheung & Rowlinson, 2011).

A term often linked to this part, is 'capacity building'. By collaborating and sharing knowledge, skills and knowhow with chain actors, chocolate companies are enabled to build capacity within their chains - that will strengthen together the value within and of the chains (Enright et al., 2018). Transfers of technologies can as such strengthen the productivity within the chain, while transfers of knowledge might boost the expertise of the farmers in cocoa producing countries. The success of the activities will partly depend on the strengths of the linkages with the partners, and partly on the investments done to ensure all partners will benefit from the transfers made (Tagliani & Winkler, 2016). This way, investing in strong collaborations will help chocolate companies to build local capacity and value within their chains.

³ The conceptual framework is based on figure 6 in Gereffi & Lee, 2016, and being adjusted to this research.

On another point, collaborations within the chain gain the potential for the companies to learn from the actors and to incorporate their perspective, knowledge and strengths to make effective plans for the chain. As it is argued, chocolate companies should make more use of the local knowledge that is embedded in their chains as this will allow them to align their chain management better with the local needs of chain actors. A certain power imbalance in collaborations doesn't have to be a problem, but local interpretation and adaptation are acknowledged necessary to effectively work towards sustainability solutions within the chain (Wijaya et al., 2018, p. 133; Ross, 2014).

I would like to remind the scientists present that the world cocoa industry was very largely developed without their aid. The great cocoa industry in West Africa was developed by the skill of the farmer. That skill – you might call it the simple skill of the simple man – was great skill – Duncan H. Urquhart, in: Ross, 2014, p. 63

Thereby, farmers are since recently getting more involved in decision making processes that are of influence to the chain. As Thorlakson (2018) observes, chocolate companies are becoming more open to *'incorporating farmer's voices into the decision-making process through developing community action plans'* (p. 1659). As this could enable the companies and farmers to come up with more sustainable initiatives, to shape together sustainability solutions and to support autonomous change, as of now, chocolate companies as well as farmers are to a limited extent prepared to invest in shared power and collective decision making (Deans, Ros-Tonen & Derkyi, 2018).

The different expressions of collaborations that seem to contribute to sustainable chains are concentrated on three elements that touch upon: building local capacity, considering the local perspective and local expertise in plans for the chain, and involving local actors in decision making (figure 4). The sustainable expressions of collaborations within the chain will be reflected in the study later on.

Figure 4: Expressions of sustainable collaborations within the chain

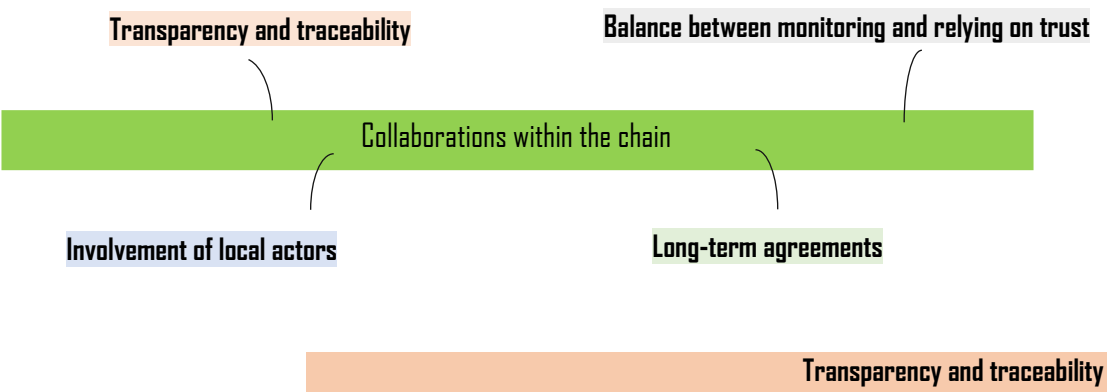


Another possible partner within the chain that has been a bit neglected, is the trader. In the past decades, the role of traders has taken an interesting turn in cocoa chains. As one trader explains: *'Ten years ago, we were just about delivering beans and suddenly we are supposed to be delivering impact at a country scale. [...] That was just unheard of 10 years ago'* (Thorlakson, 2018, p. 1659). Chocolate companies seem increasingly interested to have close relationships with their traders as they are valuable partners to roll out sustainability programmes. But also the other way around, traders take more sustainable initiatives themselves. As another trader explains, it is an opportunity for traders to add value to their business and to differentiate themselves in the international market: *'Manufacturers eating out of our hands when we introduced our sustainability program'* (Thorlakson, 2018, p. 1659). For both chocolate companies and traders it seems thus interesting to have close relationships - be it for sustainability purposes, for improving their credibility and/or for increasing their position in the international market.

As chocolate companies can collaborate this sense with different actors within their chain to strengthen their businesses and to improve their chain sustainable-wise, different elements are important contributable factors to build sustainable collaborations within the chain (figure 5). In the study, it will be reviewed to what extent

these elements are included in the collaborations chocolate companies are involved in. Below, these elements are briefly clarified.

Figure 5: Elements that contribute to sustainable collaborations within the chain



Collaborations within the chain contribute to transparency and traceability, which are regarded essential for sustainable global value chain management. Transparency is here built on the principle that when customers buy directly from the farmer, it is clear for them where their products come from and under which kind of conditions their products are being made. However, as they buy these same products in the supermarket, they no longer know by their own experience where and how these are being made. It is no longer evident where their money ends up in the value chain (Van Tulder, 2009). Due to global trade, this phenomenon has become increasingly common. The globalization of chains has made it difficult for customers to ‘see’ where and how their product is being produced, processed and traded. And while chocolate companies might appreciate this lack of misinformation, as issues in their chains are no longer their business, a growing group of stakeholders has expressed its concerns on the conditions in the chains and pressures the companies to disclose information on their chain’s management (Mol, 2015).

The first step towards transparency is traceability. Making a chain ‘traceable’ entails for chocolate companies that they have to gain insight into their chains, and have to get to know the chain actors and their businesses from the inside out – from the cocoa bean to the chocolate bar. To achieve this, chocolate companies should cover the ‘collection, documentation, maintenance, and application of information related to all processes in the supply chain in a manner that provides guarantee to the consumer and other stakeholders on the origin, location and life history of a product as well as assisting in crisis management in the event of a safety and quality breach’ (Parikh, Patel & Schwartzman, 2007, p. 5). Collaborating could help the companies to get a clear view of the actors and their businesses in the chain, while vice versa a traceable and transparent chain will strengthen collaborations within the chain.

Involvement of local actors

As it is earlier mentioned, collaborating within the chain allows chocolate companies to involve local actors in their plans for the chain. This feature of collaborations within the chain might sometimes be underestimated in value and importance. When chocolate companies leave local actors and their interests out of their plans for the chain, they risk causing commotion and disturbance in the communities their local partners are active. When companies lack to create local employment and to support the local economies, they risk creating local opposition groups that will aim to obstruct their chain practices in the region. To prevent this from happening,

it is sensible for the companies to involve local actors in the plans and to take their interests and those of their communities into account (Lim & Kimura, 2010).

Without SMEs as subcontractors and suppliers of intermediate inputs to MNEs and domestic LEs (large enterprises), industrial growth in developing countries would not be able to realize sustainable increase in domestic value-added, employment, productivity and industrial linkages – Lim & Kimura, 2010, p. 18

On the positive side, by collaborating and aligning with local actors within their chains, chocolate companies will also be able to build local capacity, to boost local value and to support the economies in the regions their partners are active (Lim & Kimura, 2010; Lee, Szapiro & Mao, 2018). Through sharing and investing in local knowledge, the companies can might enable local actors to strengthen sustainable development beyond their chains. While the companies can learn from their local partners, the local actors can support their neighbors and communities – helping them to professionalize their businesses and to improve their livelihoods (Taglioni & Winkler, 2016; Lee, Szapiro & Mao, 2018). This way, both the companies, local actors and communities will benefit from the collaborations within the chain.

Long-term agreements

For long-term agreements being attached to collaborations, or better: long-term contracts, they are especially valued for securing a long-term income and a future perspective for the partners involved. Being secured of business for a while, chain actors are able to improve their businesses sustainable-wise. Thereby, long-term agreements provide the actors the opportunity to create stable relationships, to build trust and to work together on sustainability solutions within their chains (Formentini & Taticchi, 2016). As long-term agreements show that the chocolate company is willing to share risks and benefits with its partners, it also provides chain actors a clear vision and more secure future. For these reasons, long-term agreements are regarded as important for sustainable collaborations as well as sustainable cocoa chains (Azapagic, 2003; Formentini & Taticchi, 2016; Fearne, Martinez & Dent, 2012).

Balance between monitoring and relying on trust

Monitoring mechanism can help chocolate companies to gain a better understanding of their chain partners and the issues they are dealing with; to identify actors that need support, and to assist them as such to improve their businesses and livelihoods (Touboulic, Chicksand & Walker, 2014). As Touboulic, Chicksand and Walker (2014, p. 4) argue, a *'careful and controlled use of power can, however, promote SC [supply chain] integration and have positive effects on performance, providing the power holder understands its supply chain partners and the sources of their dependencies'*. Here, the role the companies take is crucial for creating equal and respectful relationships and building sustainable collaborations within the chain.

When implementing monitoring mechanisms, the companies can use different instruments. They can develop e.g. questionnaires for the farmers, demand regular improvements and updates and/or implement codes of conduct to ensure actors adhere to the agreements made (Vermeulen, 2015; Azapagic, 2003). The companies can either choose to monitor the actors and their businesses themselves or to hire an external organization to do the audits for them. Whereas the companies stand closer to their chain partners and businesses, it is advised to let the audits do by an external organization since this will deliver more objective and reliable outcomes (Reuter et al., 2010; Lensson et al., 2006).

In this light, this research advocates for a development-oriented approach - in which the chocolate companies take a supportive stance in monitoring practices. Acknowledging the issues and areas of concern the audits will bring to light, the companies will aim to solve issues in the chain together with the actors rather by joint remediation than by serving reprimands. The companies will be actively involved in the chain, as being ‘rule keeper’, to help their chain partners to improve their practices through ‘continuous improvement’ (Lensson et al., 2006). By standing beside the actors and treating them as equal business partners, chocolate companies will be better able to create shared standards together with the actors that will be more successful in the long run (Cruz & Boehe, 2008). This way, the companies will support equal and trustworthy relationships in which commitment is strengthened and in which a shared vision contributes to successful collaborations within the chains (Bonney et al., 2007; Fearne, Martinez & Dent, 2012, p. 3).

Having discussed the main elements of sustainable collaborations within the chain, *horizontal* collaborations are regarded as essential to establish collaborations with stakeholders *beyond* the chain (De Janvry, Sadoulet & Trachtman, 2019). Guijt, Molenaar and Sopov (2020) back this up, stating that once a sustainable business is established, the business environment becomes increasingly important to scale up sustainable initiatives in the sector: *‘the trade environment becomes a major influence on the possibility for standardization of this way of doing business, and for creating shared value beyond the chains’* (p. 11). To this end, the next section will discuss *vertical* collaborations chocolate companies can get involved in beyond their chains (De Janvry, Sadoulet & Trachtman, 2019).

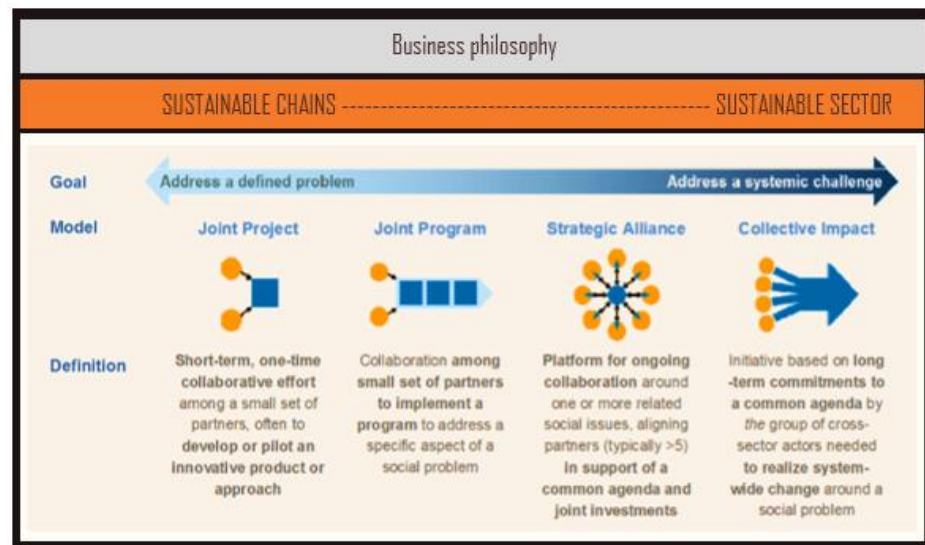
2.2.2 COLLABORATIONS BEYOND THE CHAIN

Whereas collaborating within the chain contributes to a sustainable chain, collaborating beyond the chain is regarded as essential to scale up sustainability solutions and to make a greater sustainable impact in the cocoa sector as a whole. Teaming up with other companies and their chains can as such enable companies to create more ambitious standards and to stimulate market improvements at a higher level in the cocoa industry. But also aligning with public stakeholders can help the companies to create a holistic road map for the industry, as these stakeholders are able to introduce laws and legislation that can push actors to do sustainable business and to contribute to a sustainable industry. In this way, collaborating with stakeholders beyond the chain can allow chocolate companies to support sustainable change in the sector as a whole (Enright et al., 2018).

Dependent on the business philosophy of the companies and their sustainable goals, chocolate companies get engaged in collaborations at different levels (figure 6). As a joint project is a one-time collaboration and shaped together with a few partners to *address* a defined issue in the sector, such as a fair trade chocolate bar that is initiated by two chocolate companies, in a joint program, the partners (max. 3) are focused on *tackling* the issue(s) in their chains. In case a problem asks for more partners, time and a more sophisticated approach, companies can also decide to align with more partners. Forming together a strategic alliance with 4 partners, at least, the companies can effectively work on sustainable solutions *over a longer period of time*.

While these collaborative initiatives could all be with actors that are active in the cocoa sector, it seems more effective to involve as well public, private and social stakeholders in the collaboration. As these stakeholders are not directly related to the issues within the chains, they are indirectly involved in the practices within the chains and have the power to steer the chain in more sustainable pathways. By involving public, private and social stakeholders in the collaboration, chocolate companies will be able to create a stronger front – that has a higher chance of success to address the sector-wide issues in the industry and to make a *collective, positive impact* in the sector (Hazlewood, 2015). This will be taken with in the study later on, looking upon the extent to which chocolate companies (aim to) drive sustainable change beyond their chains.

Figure 6: Influence business philosophy on scale collaborations and sustainable change (Petersen et al., 2014)



2.2.2.1 Aligning with public stakeholders

Beyond the chain, chocolate companies can get engaged in collaborations with public stakeholders. These public stakeholders can either be national, regional and local governments in the producing and consuming countries or supranational organizations. Especially state governments on the national level are regarded as valuable partners to drive sustainable change within chains, as they can introduce laws and legislation and are able to set legal standards actors of the chain have to live by. When the companies decide to initiate private standards in their chains, the legal basis of the government can help to reinforce these standards within their chains and to reinforce them in the wider range of the sector (Gereffi & Lee, 2016). This is backed up by Wijaya et al. (2018), who state that *'private sustainability standards need political backing and alignment in governments to become legitimate'* (p. 133). For a collaboration to be most effective, the companies should aim to align with the governments so that sustainable initiatives will be enforced by public legislation. This way, actors will feel a bigger urge to act sustainable as they have to comply with legal standards in the chains (Wijaya et al., 2018).



Governmental support is necessary to open avenues for sustainable change – Wijaya et al., 2018, p. 134

To make it easier for local actors to get involved in global value chains, state governments in the producing countries could further play an important role in creating a supportive business environment. As they are able to initiate favourable policies in the country, to improve access to finances, and to adopt a tax system that is beneficial for local entrepreneurs in their country, state governments can shape a business environment that will help local actors to integrate into global value chains. Thereby, the actors will feel supported to invest in their businesses, which will enable them to add value to their business and to move up in the chain. As it will support strong local businesses in the country, it will vice versa attract chocolate companies that are seeking business opportunities in the country (Lim & Kimura, 2010).

While multiple scientists underline the need of governmental support to drive sustainable change in the cocoa sector, it also means the other way around that state governments can hinder sustainable efforts in the sector. As Gereffi and Lee (2016) state, *'they can facilitate or hinder social and economic upgrading directly and indirectly'* (p. 31). Governments in cocoa producing countries can fulfill an important function in signalling risks across the chain; ensuring that disadvantaged groups are involved; supporting local participation in the

chain, and encouraging the chocolate companies to source more sustainable (Taglioni & Winkler, 2016). Yet, the governments can as well lack in these functions. As they can use their power for the good, they can as well hinder initiatives and collaborations in the sector (Taglioni & Winkler, 2016; Wijaya et al., 2018).

On the ground, local governments can be of great help for local actors in the chain. By facilitating educations and training, making actors aware of their rights (e.g. on labor and ownership), and by promoting innovations in their businesses, the governments can enable local actors to build local capacity in the chain (Lee, Szapiro & Mao, 2018). In addition, they can help local actors to gain access to finances and to invest in their business and community (Brinkerhoff & Brinkerhoff, 2011). By doing so, local governments can shape an accessible business environment, in which local businesses and livelihoods are supported.

On the last point, chocolate companies can also align with supra-national organizations. The companies will in such a case sign a bilateral or multilateral trade agreement, in which the organization often includes social clauses to stimulate or force the companies to improve the working conditions in their chains. Together with the government, these organizations can incorporate public-private partnerships to support, stimulate and/or pressure chocolate companies and other actors in the chain to act more sustainable (Gereffi & Lee, 2016).

2.2.2.2 Teaming up with other companies

Besides public stakeholders, chocolate companies can also decide to collaborate with private companies beyond their chains. Here, they can either team up with companies that are active in other chains in the cocoa sector, or with companies that are active in other sectors. Joining forces can allow the companies to achieve their sustainability goals and to expand their reach of influence while lowering the costs of the investments needed. Through sharing knowledge, skills and resources, and distributing risks and costs, the companies can more effectively work on (shared) issues within their chains (Gereffi & Lee, 2016).



For the collaboration to be most successful, it can best be based on trust, close ties and a shared vision (Gereffi & Lee, 2016). Lambert, Emmelhainz and Gardner (1996) back this up, stating:

...a partnership is a tailored business relationship based on mutual trust, openness, shared risk and shared rewards that yields a competitive advantage, resulting in business performance greater than would be achieved by the firms individually – Lambert, Emmelhainz & Gardner, 1996, p. 2

Yet, this doesn't mean that companies in these alliances should have similar business values and should share the same ideals. Although this could be the case, the partners often have '*different and even conflicting values and orientations*' (Wijaya et al., 2018, p. 130). In such a case, companies should seek synergies and alignment to create a joint action plan in which the other values are being respected and they are both willing to commit (Wijaya et al., 2018). By aligning their values and orientations, the companies will be better able to address issues in their chains and to more effectively drive sustainable change within their chains and communities. And in the best situation being able to support sustainability in other chains and sectors as well.

The private sector is expected to make use of their innovation and creativity to find more sustainable ways to conduct business, adapting and aligning their strategies, models and actions to more effectively incorporate efforts for job creation, economic growth, basic service delivery, and environmental protection – Melo, 2018, p. 9

2.2.2.3 Collaborating with social stakeholders

Rather than collaborating with top-down stakeholders, chocolate companies can also decide to collaborate with bottom-up stakeholders - with social stakeholders. These collaborations can concern the citizens that live in the cocoa producing regions, but also the local labor unions and/or NGOs that are involved in the sector and countries (Gereffi & Lee, 2016). Social collaborations are usually more place-based, and initiated to create shared value for the communities beyond the chains. The companies should aim to link their *global* economic objectives with the *local* needs and values, that are embedded in the regions and communities they are active (Wijaya et al., 2018).



Azapagic (2003) speaks here about social accountability, that touches upon the social responsibility chocolate companies have to respect the communities beyond their chains. These responsibilities could concern health, safety, training and education for farmers and citizens in the regions, but they can also refer to the equity side – which includes among others fair wages and equal access to jobs within the chains. On the ethical side, the responsibilities touch upon the protection of human rights, cultural values and/or human justice. By living up to these social principles, the companies will respect and support the local value within and beyond their chains (Azapagic, 2003).

Thereby, collaborating with citizens and NGOs in the cocoa producing regions can help chocolate companies to gain a better understanding of the effects their chain's operations have on the communities beyond their chains. Especially the 'third-order' effects are of importance, as these show which effects the chain operations have on other businesses and communities in the regions (Vermeulen, 2015). For the companies, a challenge might be to seek how sustainable practices and sustainable initiatives can be rolled out beyond their chains (Fountain & Hütz-Adams, 2018; Van Tulder, 2009). Working together with social stakeholders at the local level could help companies to minimize negative side-effects to set up ambitious and appropriate standards and to support farmers and communities beyond their chains - ensuring the surrounding communities benefit from the businesses as well (Van Tulder, 2009; Wijaya, 2018; Azapagic, 2003).

2.2.2.4 Involvement in multi-stakeholder initiatives

The scale, scope and complexity of the economic and social transformation to come will be such that no one sector – government, business, civil society or academia – will be able to manage the transformation alone. We're going to need some surprising alliances that bring different sectors together if we are to overcome its challenge – Albrechtsen, 2017



These 'surprising alliances' can well derive from multi-stakeholder initiatives. Multi-stakeholder initiatives are 'voluntary working associations' that 'combine their human, financial and technical resources, and leverage their unique skills and knowledge, and share risks and responsibilities' to achieve a common objective 'to which all of them have a stake in and can benefit from' (Melo, 2018, p. 4). Currently, these initiatives are increasingly applauded for their ability to connect different stakeholders and/or actors – that all have their own position, perspective and expertise. As it is stated, connecting them through multi-stakeholder initiatives helps chocolate companies to create a more 'integrated, comprehensive and scalable' approach that supports sustainability within and beyond their chains (Hazlewood, 2015).

From a sustainability perspective, multi-stakeholder initiatives are mainly initiated to address sustainability issues more effectively. By acting solely, companies are often hindered by market failures and/or governance gaps they cannot control (Melo, 2018; De Janvry, Sadoulet & Trachtman, 2019). To overcome these failures

and gaps, chocolate companies can collaborate with public and private stakeholders. As public stakeholders might be able to steer governance models and private stakeholders to steer markets, collaborating with these stakeholders might enable chocolate companies to steer the sector into sustainable pathways (Melo, 2018).

A collaboration is as such often shaped by a multi-stakeholder initiative in which public, private and/or social stakeholders join efforts to ‘pursue their common goals through joint action’ (Gereffi & Lee, 2016, p. 31). Joint action can enable the chocolate companies to set more ambitious standards that are supported by more companies, to incorporate sustainable improvements in their chains (Gereffi & Lee, 2016), and to assist their farmers in a better way - working closely together with public and social stakeholders on the ground (Wijaya et al., 2018). As Wijaya et al. (2018) argues, *‘rather than standard setting or certification, networking is the key lever towards social change here* (p. 130). Through joining forces and by taking a collaborative approach - in the broadest sense of the world, the companies can more effectively drive sustainable change within and beyond their chains.

2.3 Concluding considerations

The concepts and wider conceptual framework will form the basis of the further part of this research. Thereby, it is important to realize that a collaborative approach is just an element in the broader framework surrounding sustainable global value chain management. To this end, collaborations should not be seen as a guarantee for sustainability. Or as Ruggie (2011) refers to it, it is not something that ‘one can take off the shelf and it will provide an answer’. Rather, collaborating is a principle that can be incorporated by companies to make their business approach more sustainable, and that together with other principles (‘approaches’) can become more valuable in its contribution towards a sustainable cocoa sector. In the study, it will be analyzed to what extent a collaborative approach can enable chocolate companies to drive sustainable change beyond their chains - taking the limitations and context of sustainable global value chain management into account.

It is important to keep in mind that the principles are principles. They’re not a toolkit. You don’t take it off the shelf and plug it in and get an answer – John Ruggie, in Business Ethics (2011)



METHODOLOGY

Table of contents

Research paradigm & strategy

Case selection

Research methods & data collection

Reliability & validity



A paradigm represents a worldview that defines, for its holder, the nature of the ‘world’, the individual’s place in it, and the range of possible relationships to that world and its parts - Guba & Lincoln, 1994, p. 107. In this chapter, a short context will be given, discussing the philosophy, strategy and methods that underlie this research and the study that is conducted on the matter.

3.1 Research paradigm

This research focuses on cocoa chains as a global value chain, exploring to what extent taking a collaborative approach can enable companies to drive sustainable change within and beyond their chains. Yet, irrespective of the kind of approach implemented, it will remain difficult to fully apprehend all the activities that are done and could be done within the chains. Although chocolate companies can take certain measures and can follow progressive approaches, the globalized world we are living in makes it difficult to see and control everything. The globalization and fragmentation of chains has created a distance gap between the ‘buyer’ and ‘supplier’, which makes that chain actors have to rely on a certain extent of trust (Busse et al., 2016). Companies as well as stakeholders have to trust their chain partners that they are being honest in their claims (Cruz & Boehe, 2008). So, although chocolate companies can make their chains as sustainable as possible, they won’t be able to guarantee with 100% certainty that all practices within their chains are rightly done. Especially not for the other side of the chain (Kroeger et al., 2017; Boström et al., 2015).

Taking this imperfection of seeing the ‘real reality’ into account, the study will look upon global value chains, sustainability and collaborations in a post-positivist manner. Perceiving the reality as something that exists, but taking the limitations of the human’s eye into account – which is, in this case, the chocolate company’s eye - this research aligns with the paradigm of critical realism (Guba & Lincoln, 1994): *‘Reality is assumed to exist but to be only imperfectly apprehendable because of basically flawed human intellectual mechanisms and the fundamentally intractable nature of phenomena’* (p. 110).

3.2 Research strategy

Following this philosophy, this study will explore to what extent chocolate companies can drive sustainable change in the cocoa sector by taking a collaborative approach – while keeping in mind that this approach will not be fully perfect. As it will be difficult to catch all elements that make a collaboration sustainable, it will also be impossible to take all the surrounding factors into account that are of influence to the companies their partners and chains. The collaborative approaches within and beyond the chains should thus not be seen as a one-size-fits-all-approach. The approaches are rather shaped as a collection of sustainable principles of which companies can pick elements that might help them to improve their own chains sustainable-wise and to make a greater sustainable impact in the regions they are active.

To this end, it will first be analyzed to what extent chocolate companies invest in sustainable collaborations within their chains to secure sustainable businesses and livelihoods for their chain partners. Subsequently, it will be explored to what extent the companies initiate and get engaged in collaborations beyond their chains. Analyzing how collaborations with public, private and/or social stakeholders can help companies to scale up sustainable initiatives, and how their business philosophies are reflected in their collaborative approaches, the study will seek to build an answer upon the question to what extent a collaborative approach can enable chocolate companies to scale up sustainability solutions beyond their chains, and to drive sustainable change in the cocoa sector as a whole.

3.3 Case selection

As this research explores how chocolate companies can drive sustainable change beyond their cocoa chains, this study will look closely upon three chocolate companies that are sustainable pioneers in the cocoa industry and known for their business approach to support sustainable businesses and livelihoods beyond their chains: Divine Chocolate, Tony's Chocolonely and Zotter. By analyzing how Divine, Tony's and Zotter (differently) approach collaborations with actors and stakeholders to tackle sustainability issues and to support sustainable businesses and livelihoods within and beyond their chains, this study aims to learn from sustainable pioneers in the field and to provide valuable insights upon how a collaborative approach can help chocolate companies to scale up sustainability solutions beyond their cocoa chains.

In the context of cocoa chains, chocolate companies are regarded as powerful actors to tackle sustainability issues and to drive sustainable change in the cocoa sector (Lindgreen et al., 2019; Gallo, Antolin-Lopez & Montiel, 2018). Therefore, this research focuses on chocolate companies rather than other actors as initiator and partner in collaborations for sustainable chains. Aligning with Gallo, Antolin-Lopez and Montiel (2018), this study will as such explore how and to what extent the chocolate companies can by means of collaborating *'create mechanisms to alter the rules of the game and promote changes in their industries and solve public problems and social dilemmas'* in the cocoa sector (p. 11).

Thereby, it will be interesting to seek how the business philosophies of the companies are reflected in the collaborative approaches they take within and beyond their chains. Whereas Tony's and Zotter are top-down initiated, Divine is bottom-up initiated by cocoa farmers (Zotter, 2020; Tony's Chocolonely, 2020; Divine Chocolate, 2020). Having different foundations, the cases offer the opportunity to explore how the foundation and business philosophy of the companies are being reflected in the approach they take in collaborations and sustainability beyond their chains. By gaining this way a holistic view, this study aims to collect a wide range of best practices - that might serve as inspiration for other chocolate companies that aim to support sustainable businesses and livelihoods within and beyond their chains.

At the beginning of the next chapter, you will find a brief introduction to each company.

3.4 Research methods and data collection

The study will be a combination of desk research and interviews. By doing desk research, the approaches of Divine Chocolate, Tony's Chocolonely and Zotter will be analyzed to get a good grasp on their management style, vision, and approach to sustainability within their cocoa chains. After having gained a holistic view of the sustainable approaches the companies take in collaborations within their chain, the study will look closely upon the different kinds of collaborative initiatives the companies get engaged in beyond their chains to scale up sustainable initiatives in the sector. By doing desk research and conducting multiple interviews, it will be as such explored to what extent collaborations within and beyond the chains can help chocolate companies to drive sustainable change in the cocoa sector as a whole.

The interviews will be focused on getting a better understanding of the circumstances, contexts and thoughts that are underlying the choices of companies to manage their chains in a certain way. Why certain decisions seem 'naturally' being taken by the chocolate companies and why others seem less imbedded and/or are left out will be explored to understand the context and reasons behind decisions and approaches taken. Here, the study aligns with the words of both Yin (2014) and Stake (1995), who both emphasize the importance of the context to a case and the need to *'understand its activity within important circumstances'* (Stake, 1995, p. xi). To this end, this case study strives to get a comprehensive view before making stronger statements about the added value of a collaborative approach for a sustainable global value chain.

Case study research is a qualitative approach in which the investigator explores a bounded system (a case) or multiple bounded systems (cases) over time through detailed, in-depth data collection involving multiple sources of information (e.g., observations, interviews, audio-visual material, and documents and reports) and reports a case description and case-based themes (ibid.) – Mills et al., 2017

Aligning with Mills et al. (2017), a diverse group of actors and stakeholders in the field will be interviewed. The interviewees will form a mixed group of public stakeholders, chain actors and scientists – that all have different backgrounds and different relations to the cocoa sector. This way, different perspectives will shine a light on the matter. As some interviewees will speak more as ‘individuals’ and will share more information from their personal beliefs, others will speak as ‘representatives’ of their company or organization (Rapley, 2004). By speaking with ‘*multiple sources of information*’ (Mills et al., 2017), the study aims to gain a holistic view of the complexity of sustainability issues in the sector, the role of collaborative initiatives in chains over the years, and the sustainable impact the chocolate companies could make in their chains and sector ⁴.

Whereas Divine, Tony’s and Zotter will be central in the study, the perspectives of stakeholders will help to gain a more comprehensive view and to give a complete answer to the question to what extent a collaborative approach can enable chocolate companies to drive sustainable change beyond their cocoa chains.

3.5 Reliability and validity

On the reliability and validity of this research, there are three aspects it is good to be aware of. The first one concerns the external validity. In the theoretical chapter, there is consciously chosen to give an overview of sustainable elements that characterize sustainable collaborations within global value chains. These elements are not being specified to cocoa chains so that companies and stakeholders in other sectors can as well benefit from the set of elements that contribute to sustainable collaborations and chains. By keeping it this way a bit more abstract, the external validity of this research is being heightened.

The second aspect is related to the multiple sources information is retrieved from. As the interviewees have all their own background, relation and perspective upon the cocoa sector, they will bring different issues and challenges to the fore. As they will share their own opinion and reasoning on how to deal with sustainability and collaborations in the chains, the different perspectives will create nuance and will soften statements. This way, the interviews will provide a holistic view on sustainability issues, and on how a collaborative approach can be incorporated by chocolate companies to support sustainable change within and beyond their chains. Altogether, this will strengthen the overall reliability of the study.

The third and final element touches upon a negative side effect that is caused by the focus of this research. As the study focuses on sustainable pioneers in the cocoa industry, the study’s outcomes might tend to be too ambitious for common chocolate companies in the sector. As the research aims to provide valuable insights to both idealistic and more commercial-minded companies, some parts – e.g. on collaborative efforts – might be too ambitious for companies that are less far in their sustainability plans and/or that are more commercial-oriented. The high-nature of ‘doing for the good’ might be less applicable for them, and while it also includes elements and incentives that seem interesting for them, it has to be considered that the focus on sustainable pioneers will affect to a certain extent the external validity of this research.

⁴ See for the list of interviewees Annex 1. All interviews are being referenced to by “....(2020x)”.

RESULTS: CHAINS FOR CHANGE

Table of contents

Introduction cases: Background of chocolate companies

Collaborations within the chain

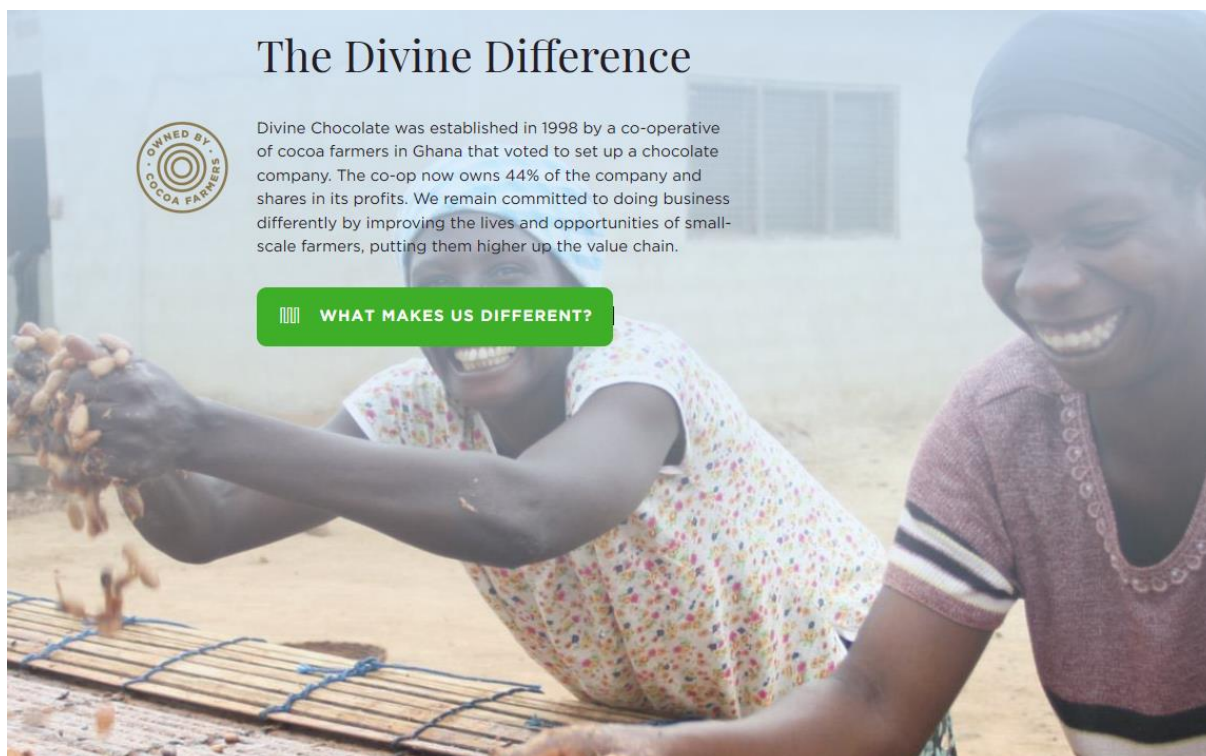
Collaborations beyond the chain

Taking a collaborative approach: Benefits and pitfalls



4.1 Introduction cases: Background of chocolate companies

4.1.1 The story behind Divine Chocolate



FOUNDATION

Behind Divine is a story of a farmer representative, who initiated in 1998 a farmer-owned cocoa company in Ghana. With the support of the British fairtrade company Twin Trading, this visionary – Nana Frimpong Abebrese – succeeded to enable farmers to sell their cocoa for a better price under their co-owned brand: Divine Chocolate.⁵

Until today, Divine is a social enterprise with the mission to empower farmers and citizens within and beyond its chains.⁶

PRINCIPLES

As Divine itself states, it aims to do business differently – by giving the farmers a share in the company and a seat at the table in decision making that are of influence to the chain.

By doing so, the farmers can use their voice to protect their interests and values as well as those of their communities. In this way, Divine strives to build sustainable chains that can function as an example for a sustainable cocoa sector, and to use business *‘as a force of good’*.⁴⁵⁷

SUSTAINABILITY

By sharing power and profits, Divine aims to enable farmers to gain a better position in the chain and to strengthen their livelihoods as well as those of their communities. And by sharing value (equity) fairly within the chains, Divine aims to empower its farmers and the citizens in society beyond:⁵⁶

As we continue to grow, we remain focused on empowering people, both farmers and citizens, to use their individual and collective power to shape the world in which they want to live - Tranchell, in:⁵

⁵ <https://www.divinechocolate.com/divine-story>

⁶ <https://www.divinechocolate.com/inside-divine>

⁷ <https://www.divinechocolate.com/divine-difference>

4.1.2 The Dutch brand of Tony's Chocolonely



FOUNDATION

It all started with an episode of 'Keuringsdienst van Waarde'. In this Dutch television program, Teun van de Keuken dived into the cocoa sector and was shocked. Shocked by the child slavery in West-Africa as if it was business as usual, but also by the large chocolate companies that pave the way for sustainability issues in the cocoa chains⁸.

In an effort to drive sustainable change in the cocoa industry, Teun decided to initiate its own chocolate brand:

*Tony's Chocolonely*⁷

PRINCIPLES

Under the motto 'crazy about chocolate, serious about people', Tony's aims to make chocolate 100% slave free.⁷

Social entrepreneurship implies by definition that you balance your striving for social goals with entrepreneurship. The mission always comes first – Beltman, in:⁹

By raising awareness on issues and showing one as a company can both be social responsible and successful, Tony's aims to convince other companies to follow suit and to contribute to a sustainable cocoa sector.⁹

SUSTAINABILITY

Tony's business philosophy on sustainable chains is built on five elements:⁹

- Traceable beans
- Higher price
- Strong farmers
- Better quality cocoa and products
- The long term

These 'rules of the games' are regarded as essential to enable farmers to secure sustainable businesses and livelihoods.¹⁰

⁸

<https://tonyschocolonely.com/nl/en/our-mission/how-it-all-started>

⁹ Guijt, J., Molenaar, J. W., & Sopov, M. (2020)

¹⁰

<https://tonyschocolonely.com/nl/nl/onze-missie>

4.1.3 The family business of Zotter Schokoladen Manufaktur



FOUNDATION

Founded as a progressive and social enterprise in 1987 by Josef Zotter and his wife, Zotter is an Austrian chocolate company that is until today managed by the Zotter family.¹⁰

As the cocoa is imported from various countries in Latin-America and Africa, the production of the chocolate is still being done locally, in the factory in Graz, Austria.¹²

Tip for the customer: Zotter is easily recognized by its packaging, which are 'little works of arts' designed by Andreas H. Gratze (Zotter, 2020).¹¹

PRINCIPLES

Variety
Quality
Innovation

Zotter sees itself most of all as a chocolate maker that aims to do business fairly – by making innovative, fair trade and high-quality chocolate.^{12 13}

By staying close and true to itself, Zotter aims to keep its circle small – so that they can help their business partners the most:¹¹

Our approach is, we are a company – because we are an own brand, is that we can't help everyone but everyone that we can help, we want to help a lot. So a smaller circle but more impact – Zotter, 2020x

SUSTAINABILITY

As Zotter (2020) states:

We only use organic and fair traded raw materials because those are simply better for us humans and our environment. Our organic farm covers 80 hectares, from which we get many ingredients for the free, organic lunch for our 200 employees."

Currently, Zotter belongs to the best chocolatiers in the world and is recently regarded as 'one of the most sustainable companies in Austria' (Zotter, 2020). On top of that, Zotter is ranked as one of the most sustainable cocoa brands worldwide (Rank a Brand, 2020).^{12 14}



¹¹ <https://www.zotter.at/en/about-zotter/biography.html>

¹² Zotter (2020x)

¹³ <https://www.zotter.at/en/zotter-experience-world/philosophy>

¹⁴ <https://rankabrand.nl/chocolade-merken/Zotter>

4.2 Collaborations within the chain

4.2.1 COLLABORATIVE APPROACH OF DIVINE CHOCOLATE

In 1998, Divine Chocolate was established by a group of farmers in Ghana called Kuapa Kokoo. This cooperative grew to a group of 100,000 Ghanaian cocoa farmers, who share as of today 44% of the company's distributable profits. Leaving 12% of the shares for the investment fund Oikocredit and 42% for their British counterpart Twin Trading, one could state that Divine is one of the few companies that put their farmers at the centre of the value chain (Myers, 2019; Gallo, Antolin-Lopez & Montiel, 2018). This is as well being recognized by the UK Government's Department for International Trade, that applauded the company for its unique business approach: *'This is an excellent example of how important international trade is for empowering producers in emerging economies to increase prosperity and wealth'* (Myers, 2019).

Key in Divine's unique approach is the strong involvement of the cocoa farmers in all business decisions. As Divine is founded from the bottom up, the farmers are shaping the principles of the company and steering it into new pathways. This all started with the company's initiation - when the farmers decided in their annual cooperative's general meeting to set up their own chocolate company in the United Kingdom. Nana Frimpong Aboebrese was here just the leader the cooperative needed, being a farmer representative of COCOBOD¹⁵ and having the expertise and contacts that were needed in the field. Soon after, the farmers found in Twin Trading and the Body Shop partners overseas that were willing to collaborate and to purchase the beans to make high-quality, fairtrade chocolate from. With this, Divine succeeded to do business fundamentally different; putting their farmers higher in the global value chain and providing them decent livelihoods (Divine Chocolate, 2020; Divine Chocolate, 2020a).

The foundation of Divine reflects a strong collaborative approach, in which the three expressional elements of collaborations from the theory are all well embedded in Divine's chains. The cocoa farmers of Divine are strongly involved in decision making, holding themselves equity in the company. Being a main shareholder, the farmers can use their voice to look after the interests and needs of their families and communities (Divine, 2020a, 2020b, 2020d, 2020e). Thereby, one of the four annual board meetings is being held in Ghana in which *'Kuapa Kokoo can have meaningful input into decisions about how Divine is produced and sold'* (Divine Chocolate, 2020b). Being involved in the board meetings, the farmers can gain an overview of the full chain, get direct insights into potential markets and market trends and are included in the strategic plans for the chain. Especially the market knowledge is helpful to the farmers of Kuapa Kokoo and other cooperatives, as it enables them to anticipate on market trends and to *'create future economic opportunities for their members and communities'* (Myers, 2020; Gallo, Antolin-Lopez & Montiel, 2018, p. 24). The equity gives the farmers security as well as the chance to heighten their standards, to address sustainability issues at their side of the chain and to continue their business the way they are doing it from the early beginning: in a sustainable way (Gallo, Antolin-Lopez & Montiel, 2018).



Divine has worked with the farmers of Kuapa Kokoo for the last 20 years; listening, sharing and developing programmes in co-operation – Divine Chocolate, 2020e

The other two elements are being reflected in the quote above, by which Divine states it aims to *listen, share and develop programmes in co-operation*. Through farmer-led programmes that are funded by the Producer and Support Development fund, Divine aims to tackle the underlying issues the farmers experience that are holding them back from gaining a decent livelihood. To develop a solid action plan, the farmers are being asked on what the biggest issues are they are dealing with and what they would need to take care of their families and communities. By hearing their perspective and using their feedback, Divine



¹⁵ COCOBOD is a Ghanaian government-controlled institution that fixes the buying price of cocoa in Ghana (Divine Chocolate, 2020a).

aims to make its programmes more effective and to incorporate sustainable solutions within its chains (Divine Chocolate, 2020e).

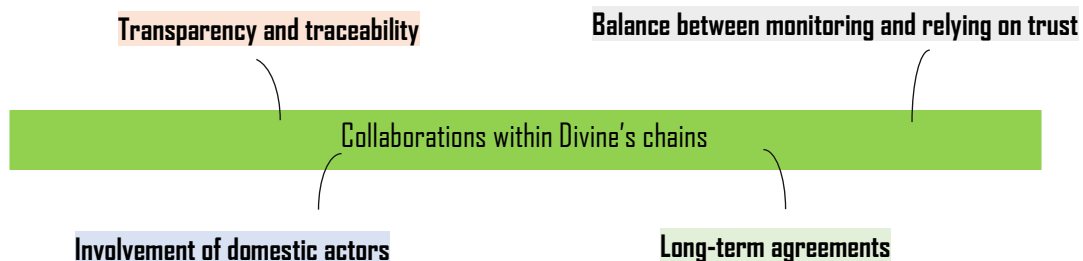
If we are to succeed in any of our sustainability goals - including preserving cocoa, and our cherished treat chocolate, which provides a livelihood for millions across West Africa - then we need to take women's contributions seriously. And we need to empower women to act upon the values of empathy, compassion, and conscientious collective action in a strong way - Kristy Leissle (in: Myers, 2020).

With their programmes, Divine also aims to build local capacity within its chains. Divine focuses in special on gender justice by empowering female farmers within the chains. As the company believes gender equality should be 'at the heart of all the farmer-led sustainability programmes', it has implemented multiple policies and practices to improve the position of women within the chains. To give them a bigger voice in decision making, Divine set up special quotas in leadership positions and provides training to improve their leadership skills (Divine Chocolate, 2020e). In addition, Divine organizes literacy courses to tackle the low literacy and numeracy levels among the farmers, which especially encourages women to feel more confident to participate in their cooperatives. And lastly, Divine supports women in gaining equal access to inputs, finance, training and land rights which are considered essential to contribute to gender equality in the cocoa sector (Divine Chocolate, 2020e; Myers, 2020).



In conclusion, Divine stands especially out in the way it has shaped its chains. Having given the farmers a central place within the chains and the decision making and having established an equal distribution of power and profits among the global and local actors, one could say Divine's takes a unique approach - in which collaborations are naturally embedded throughout the chains. In the following section, it will be discussed to what extent the collaborations reflect the sustainable elements from the theory (figure 7).

Figure 7: Collaborations within Divine's chains



The extent to which Divine invests in traceability within its chains contributes to transparency and sustainable collaborations within the chains. To ensure traceability, Divine follows the bean-to-bar model – which means it can trace the chocolate bars back to the source where the cocoa beans are produced. As Divine itself states, by sourcing full traceable cocoa *'we're showing our commitment to the farmers who grow the delicious cocoa that goes into each one of our chocolate bars'*. The close relationship with the farmers makes it thereby easier to trace the cocoa beans back to the village where the beans are being harvested, fermented and dried before they are being transported to Germany for further processing and manufacturing. To ensure no mixture occurs with beans of other cooperatives, on each bag of beans the village code is painted so that they can be traced back to the exact village they came from (Divine Chocolate, 2020c; Gallo, Antolin-Lopez & Montiel, 2018).

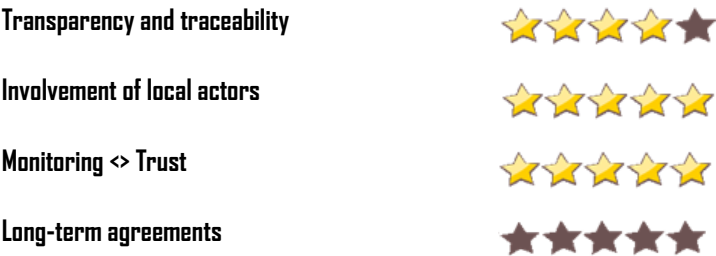
With direct sourcing from farmers as an inherent aspect of bean-to-bar, there is a greater opportunity for business model decisions to impact the poverty of cocoa growing regions – Gallo, Antolin-Lopez & Montiel, 2018

As the earlier section discussed, the farmers have as local actors a central position in the chocolate company. The collaborations are based on respectful and trustworthy relationships, and Divine has created an accessible business environment in which the farmers have learned to accept each other and to do business with actors from other cultures. Since the business environment is trustworthy, and *‘doesn’t cheat the farmers by using inaccurate weighing scales, as other buying agents often do’*, a growing group of farmers wants to produce cocoa for the company (Fournier, 2015, p. 7). They observe with little jealousy how Divine offers its farmers a decent livelihood in which they are liberated and independent and able to invest in their cooperatives and communities (Fournier, 2015).

Kuapa Kokoo - which means good cocoa growers - has a mission to empower farmers in their efforts to gain a dignified livelihood, to increase women's participation in all of Kuapa's activities, and to develop environmentally friendly cultivation of cocoa – Fournier, 2015, p. 7

Though, this is not said no monitoring takes place in Divine’s chains. Instead, Divine sees it as an opportunity to be transparent to the outside world, and to reward itself for its sustainable business approach. To this end, Divine uses third party intervention as safeguard system to check upon their farmers and their businesses and encourages farmers to gain certification of Fairtrade, Organic and B Corp. As these standards are externally being audited, they provide customers the confidence that claims being made are correct (Divine Chocolate, 2020b). The third-party audits have delivered Divine with the highest B Corps-scores in the world, scoring an ‘outstanding B Corp rating’. As Myers (2020) underlines, B Corp is the *‘only certification that measures a company’s entire social and environmental performance’* – covering among others the areas governance, workers, environment and community within the chains. Additionally, Divine monitors also itself on several areas of which the outcomes are published in its annual Impact report. In this way, they aim to be transparent and to ‘using business as a force for good’ (Divine Chocolate, 2020e).

Figure 8: Score on elements of sustainable collaborations

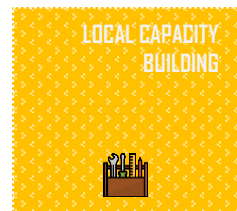


An element there is not yet touched upon, concerns the long-term agreements. As it is unclear whether Divine keeps long-term agreements and/or contracts with its chain partners, and it could herein be more transparent, there seems no cause of concern as the farmers are a co-owner of the chocolate company (Divine Chocolate, 2020). Divine’s foundation and collaborative approach contribute to balanced chains in which the farmers are empowered to take care of their business and families and to ‘shape the world in which they want to live’ (Divine Chocolate, 2020b, d). On the sustainable elements that are considered important to build successful collaborations within the chain, Divine scores overall very good (figure 8). In the next part of this study, it will be explored to what extent Divine collaborates with stakeholders beyond its chains.

4.2.2 COLLABORATIVE APPROACH OF TONY'S CHOCOLONELY

The goal of Tony's Chocolonely is to systematically drive sustainable change in the cocoa industry, making chocolate 100% slave-free. Making its own cocoa chains sustainable is not Tony's end goal; it is seen as part of its mission towards sector-wide change, in which all actors in the sector take responsibility to secure a decent livelihood for the farmers (Blom et al., 2014). To achieve this, Tony's created a roadmap that exists of three steps: creating awareness, leading by example and inspiring others to act. This part will focus on the second one, leading by example - analyzing how Tony's mission is reflected in the way it approaches collaborations within its chains (Blom et al., 2014; Tony's Chocolonely, n.d.a).

Firstly, sharing is seen as a natural part of doing business by Tony's. Tony's sees it as part of its responsibility to ensure the farmers are able to improve their businesses and to gain a fair price for their cocoa. By working closely together with the farmers and providing them training and financial resources, Tony's aims to enable its chain partners to improve their skills and to add value to their businesses (Tony's Chocolonely, n.d.b; Guijt, Molenaar & Sopoy, 2020). Thereby, Tony's encourages farmers to get involved in a cooperative as this will help them to invest in their business and to gain a stronger position in other cocoa chains. A cooperative can as such support farmers to gain a local network, to gain access to (financial) resources and to increase market leverage, which will help them to run their farms professionally and to move up in the value chain. By doing so, Tony's aims to support its farmers and to enable them to invest in own capacity so that they can take care of their families themselves. As this will support professionalism and independency, it will create collaborations in which actors can rely on each other (Tony's Chocolonely, n.d.a; Guijt, Molenaar & Sopoy, 2020).



Tony's further aims to be open to the local perspective of the farmers and to take their interests and values into account. As Tony's acknowledges it has a dominant position in the chain as a top-down actor, it puts great effort to build equal relationships with the actors in the chains. Trying to withhold itself from getting biased, Tony's aims to get a better understanding of its partners' struggles, values and culture so that it will approach them rightly and will define issues in the chains correctly. The word 'slave' has as such been replaced by 'slavery' to put less emphasis on the victim and to focus more on the underlying system that shapes the root cause of the problem, and likewise, the company preferred 'doing business with' to 'treating their partners' as this would reflect a more equal relationship (Tony's Chocolonely, 2020, p. 10). Additionally, Tony's travels regularly to the cocoa producing regions to exchange stories and experiences with its partners (Tony's Chocolonely, n.d.b). By being accessible and treating actors with respect, Tony's supports sustainable relationships, businesses and livelihoods within the chains.



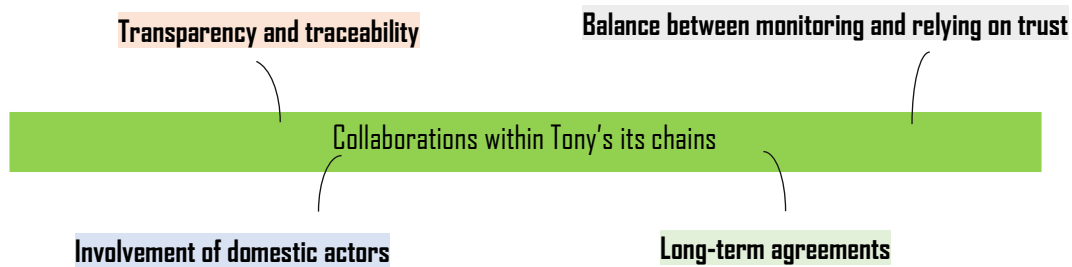
It goes without saying, that when we visit, we always take an extra bag of Tony's chocolate with us so that the farmers can see (and taste!) the results of all their hard work – Tony's Chocolonely, n.d.b

On decision making, local actors are to a certain extent involved. In the projects on illegal child labor, Tony's works closely together with the farmers to find sustainable, structural solutions. Together with cooperatives, communities and the International Cocoa Initiative (ICI), Tony's aims to assess whether, and if so where and why illegal child labor takes place. By implementing the so-called Child Labor Monitoring and Remediation System (CLMRS), Tony's aims to identify possible cases of illegal child labor and to examine together with the farmer's family what is needed to create permanent solutions for their children and businesses (Tony's Chocolonely, n.d.b). Though, while local actors are involved in projects and asked for their feedback, they don't have a seat at the table in board meetings and thus don't share in decision making. In the end, Tony's is the one that decides on the executing of programmes, and that steers the chains into certain pathways (Tony, 2020x).



In the next section, it will be analyzed how Tony's scores on the elements from the theory - that contribute to sustainable collaborations within the chains (figure 9).

Figure 9: Collaborations within Tony's chains



Traceability and transparency are both regarded highly important in Tony's philosophy on sustainable global value chains. To ensure full traceability, Tony's has created a system in which the origin of the cocoa beans can be traced back to the source so that they can be segregated from other, non-certified beans. Like in the conventional system, chocolate companies buy their beans on the bulk market and transfer them as a mixed bulk of certified and non-certified beans to the processing facilities, Tony's wanted to do it differently. They wanted to secure that the beans are 'theirs' and produced in proper working conditions (Guijt & Molenaar & Sopov, 2020). Therefore, Tony's arranged a separate container at the harbor for the shipment, and convinced its local partner and processor, Barry Callebaut, to segregate the beans for 100% traceability. These first steps were the start of the bean-to-bar project Tony's started with 12 years ago, and that makes them today able to say they have 'traceable' chains (Blom et al., 2014). And the chains will soon also be traceable for the outside world with a special created Bean-to-Bar tracker, that will enable customers and other interested in the field to track the beans in real-time (Guijt, Molenaar & Sopov, 2020). As this tracker will increase the transparency of the chains, for Tony's it will be a priority that it knows its chains and chain partners – as this will make it easier to find the right partner for a (sustainable) job and to build sustainable relationships with the actors within the chains.

Thereby, Tony's decided to work closely together with local farmer cooperatives in Ghana and Ivory Coast, in the 'heart of the cocoa industry'. When Tony's visited its first partner cooperatives for the first time, both were in a different situation. Whereas the cooperative Ecookim already had decided to work together solely with Fairtrade companies, the cooperative ABOCFA had just lost their hope for certification as their buyer wasn't interested in certification. In an effort to support both and to reward their 'good' intentions, Tony's decided to sign with both cooperatives (Blom et al., 2014). Especially Tony's decision to help out the farmers of ABOCFA might be surprising, as often the more distant farmers are left out from sustainable initiatives and global value chains (Vermeulen, 2015; Fountain & Hütz-Adams, 2018). In this light, Tony's shows how one as 'buyer' can tackle this issue by not only teaming up with capitalized farmers but also with ones that have fewer resources - but might benefit the most of a collaboration.

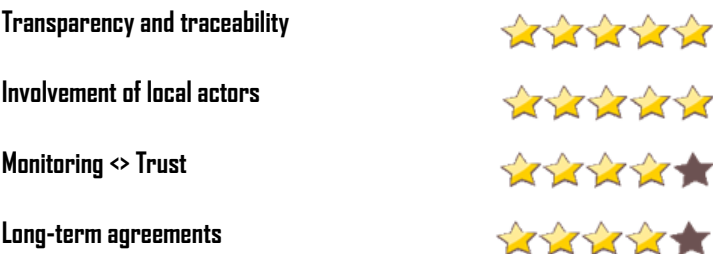
Ultimately, Tony's extended its network to five local cooperatives and invested in long-term collaborations with each of them. By signing a minimum 5-year contract with each cooperative, Tony's aims to give local partners the security and trust they need to build their business and to invest in sustainable practices - without having to worry their 'buyer' will leave them (dry) (Tony's Choclonely, 2020).

In terms of monitoring, Tony's visits regularly its local buyer Hubert Hoondert who checks upon the local cooperatives and the working conditions. The fact that Hubert is based in the cocoa producing regions is seen as convenient since this makes him able to 'check in on the cooperatives at least three times a year to inspect the labor practices'. This way, he can give 'full transparency on the payments he makes to the cooperatives'.

(Blom et al., 2014, p. 11). As Hubert is seen as the right man for the job, as Tony’s states, these audits don’t provide stakeholders full assurance that the chains are in order. To guarantee this, Tony’s has let Fairtrade and PwC execute independent audits and reflect critically on its sustainable claims. By doing so, Tony’s aims to gain insight into the areas of improvement in the chains, and to give stakeholders the security sustainable claims that are being made are correct (Tony’s Choclonely, 2020).

On a final note, for Tony’s, a priority in the establishment of the chains was to gain the trust of the farmers. Tony’s regarded it very important to show that they as a ‘western’ chocolate company had the right intentions and that they were honest in its efforts to support the farmers within their chains. Therefore, Tony’s held long conversations with the cooperatives together with translators, and promised the farmers a minimum five-year agreement and a premium on top of the market price. And, to this day, Tony’s aims to visit the farmers each year - to let the farmers taste the end product of the beans ‘they work hard for every day’. By doing so, Tony’s aims to develop transparent and reliable relationships with the actors within the chains (Blom et al., 2014).

Figure 10: Score on elements of sustainable collaborations



In sum, all elements seem to be well included in Tony’s business philosophy and approach on collaborations in the chains. Tony’s invests to a high extent in strong relationships with the farmers and, looking upon the sustainable elements from the theory, Tony’s collaborative approach seems very all-inclusive (figure 10). In the next part of this study, it will be explored to what extent Tony’s collaborative approach is as well reflected in its collaborations beyond the chains.

4.2.3 COLLABORATIVE APPROACH OF ZOTTER

Zotter, short for Zotter Schokoladen Manufaktur GmbH, is an Austrian chocolate company, founded in 1987 by Joseph Zotter and one of the few international companies in the industry that is family-managed (Zotter, 2020). Zotter is famous for its layered, "handgeschöpft" chocolate – a technique initiated by Joseph Zotter in which each layer is spread by hand, and has its own flavor. Besides that, the company is also known for its Fairtrade, Bio and Bean-to-Bar philosophy (Zotter, 2012; Schmidt, 2012) – being transparent, open and closely connected to their customers and farmers (Zotter, n. d.). To this end, this part will analyze to what extent Zotter's business philosophy is reflected in collaborations within their chains.

A central element in Zotter's business philosophy is independency. Independency and self-responsibility are well embedded principles in Zotter's chains, and influence to a certain extent the approach Zotter takes upon collaborations within their chains. As Zotter believes the chain actors should be seen and treated as equal and independent business partners, with each their businesses and responsibilities, Zotter focuses on its own way of doing business while trusting its chain partners they will take care of theirs (Zotter, 2020x). In this light, Zotter doesn't invest much in local capacity and doesn't involve actors in e.g. sourcing discussions and decision making of the company.

Yet, this is not said Zotter doesn't attach value to having close relationships with their local partners within the chains. Zotter visits regularly the farmers to hear their stories and to build trust. During these visits, Zotter exchanges thoughts and ideas with them and explores what could be of help to the farmers to improve their businesses. To this end, Zotter might give tips to the farmers but vice versa they might as well learn from them (Schmidt, 2012). This way, the company aims to support its chain partners, and to encourage professionalism - as this will help the actors to stand for their rights, to take care of their interests and to be stronger in future negotiations with other buyers (Zotter, 2020x).

As Zotter (2020a) points out: *'We don't act like unapproachable, superior buyers, but are equal business partners'*. Through an exchange programme, the company aims to gain a better understanding of the position and businesses of chain actors, and to share as well their perspective and sustainable values (Schmidt, 2012). Thereby, Zotter welcomes each year a group of farmers in their chocolate factory in Bergl, Austria. As many of the farmers have never seen how chocolate is being made, they often like it see how beans - and especially 'theirs' - are be processed into bars. And by observing the process, they also gain a better understanding why quality is that important. Both visits allow the farmers and chocolate company as such to see their business from another perspective - from the other side of the chain, which strengthens respect, trust and the relationship of the chain actors (Zotter, 2020x).

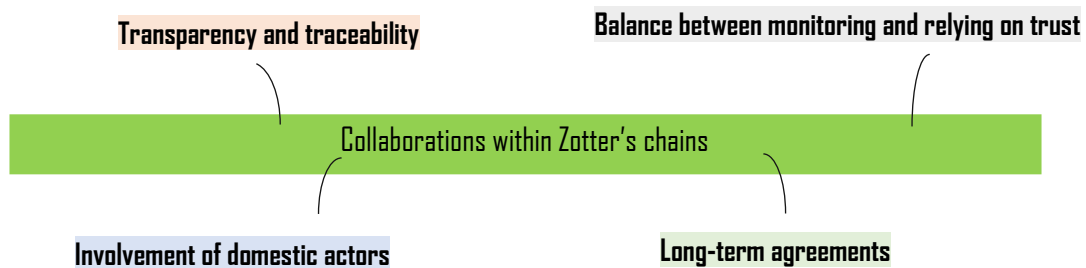
Special, top quality products can only be created through great cooperations and personal, friendly relationships – Zotter, 2020a



Looking upon the expressional elements of collaborations from the theory, the collaborations of Zotter reflect a high extent of respect to their chain partners. Zotter strongly believes it should trust the farmers know best how to produce the cocoa sustainably and of the highest quality. As they as a chocolate company are experts in making chocolate, they regard the farmers as experts in producing the cocoa. For this reason, local capacity building is less being done and decision making is solely being done by the chocolate company. By being open to their partner's perspective and thoughts, though, Zotter aims to make all-inclusive decisions for the chains. Meanwhile, they let the farmers do what they do best: producing high-quality, premium cocoa (Zotter, 2020x).

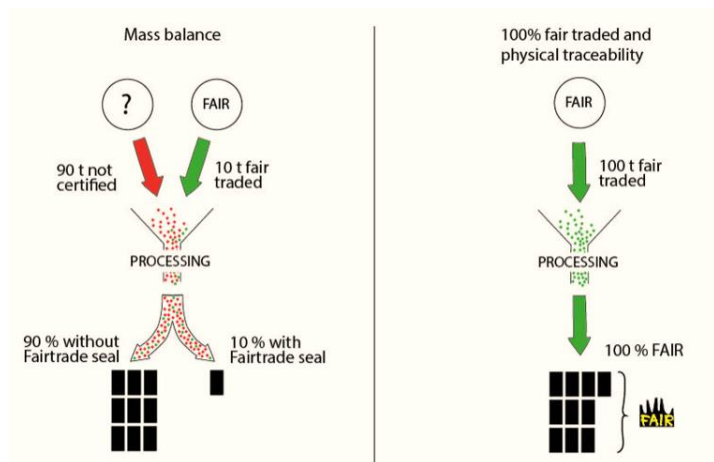
In the next section, it will be analyzed to what extent the collaborations include the sustainable elements from the theory (figure 11).

Figure 11: Collaborations within Zotter's chains



Being transparent and having traceable chains is regarded very important by Zotter. As the company (Zotter, 2020a) states, traceability is 'the only way' to assure customers they *'can enjoy the fruits of their labor with a clear conscience'*. To make its chains fully traceable, Zotter aligns with the bean-to-bar model in which the company can oversee all practices throughout their chain – from chocolate bar to cocoa bean (Schmidt, 2012). To make this easier, Zotter prefers to do business with selected growing cooperatives at a small-scale and to process the chocolate at home, in its own chocolate factory in Austria. As this explains its so-called strategy of 'insourcing instead of outsourcing', the strategy contributes to 100% traceable chains (Zotter, 2012; Zotter, 2020a; figure 12). This way, Zotter can ensure the chain practices are done sustainably and the farmers are paid fairly for their work and product (2020a).

Figure 12: Mass balance and 100% traceable cocoa (Zotter, 2020a)



We all want to be able to afford a good life through our hard work, so they should be able as well – Zotter, 2020a

With **they**, Zotter refers to the local farmers that represent the core values of the company. Being running their farms in either Bolivia, Brazil, Ecuador, Peru, Panama, Nicaragua, Belize, Guatemala, Dominican Republic, Congo, Togo or Madagascar, the farmers are all carefully selected on their ability to produce high-quality, premium cocoa. The farmers are supported by a social enterprise or a cooperative of which they are member. This contributes to the chain's organizational structure, as the social enterprises and cooperatives can function as a bridge between the farmers and Zotter (Zotter, 2020a; Zotter, 2020x).

Although Zotter aims to have long-term relationships and close ties with the actors in the chains, the company hasn't signed long-term contracts with the actors as it couldn't afford the risks that come with the contracts.

As this leaves a certain room of uncertainty and vulnerability for the actors, Zotter (2020x) argues they don't have to worry: *'when we start working with a cooperative, there is no reason for us to stop unless there are serious quality problems. [...] But it is based on a circle of feedback'*. As Zotter (2020x) explains, when issues occur in actors' their businesses, they will always have personal contact and giving them time to implement improvements - which makes that pulling the plug rarely is needed. The actors can trust the company has the intention to build long-term relationships as these relationships 'become most effective' (Zotter, in: Schmidt, 2012, p. 60).

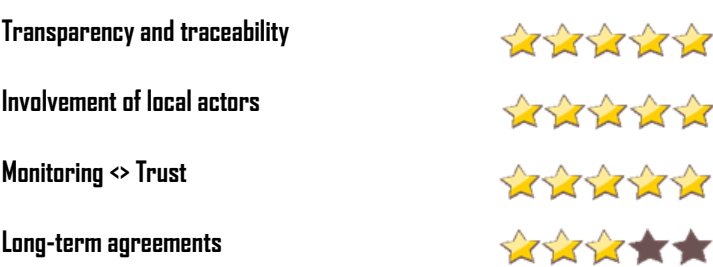
We feel the responsibility to just not buy cocoa for one year, but to make sure that we can actually keep buy the cocoa for many years to come so that the farmers trust us with that – Zotter, 2020x

In terms of monitoring, Zotter has teamed up with multiple auditors and certification organizations to ensure its chain actors and chain practices are in order. Zotter has as such gained a Fairtrade, Bio and Bean-to-Bar certificate and has asked the World Fairtrade Organization (WFTO) to monitor their entire chains on working conditions and trade practices (Zotter, 2020a). In addition, Zotter has recently decided to leave Fairtrade to initiate its own 'FAIR' label since it believes certification is not enough to guarantee sustainability: *'In my opinion, the FAIRTRADE certification is generally a good idea and certainly better than no oversight at all, but I want my customers to be able to buy chocolate and know that it contains exactly what it says on the wrapper.'* By initiating an own label, Zotter aims to keep full oversight of its chains - so that they can give customers 'absolute assurance' that the chains are fully traceable, that their partners are fairly treated and that the chocolate is of the highest quality (Zotter, 2020a; Zotter, 2020x).

We trust the cooperative to come up with a price that they can live with. So, hard bargaining, we don't do that. So, we define the quality and what we want to have as cocoa beans, but it is the cooperative's responsibility to ask the price that they need for that. [...] The price that they ask, is the price that we pay – Zotter, 2020x

Yet, Zotter maintains a high extent of trust in its chain partners. As mentioned, Zotter sees its chain partners as independent, responsible actors and treats them also like this. Whereas Zotter might thus be a little more distant, its approach reflects a high extent of trust towards chain actors. The company trusts its partners that they will take care of their businesses, and that they will ask the price they need to take care of their families. Trust, professionalism and self-confidence define Zotter's collaborations with chain actors the best (Zotter, 2020x).

Figure 13: Score on elements of sustainable collaborations



Apart from the long-term agreements, Zotter scores very well on the elements that contribute to sustainable collaborations within chains (figure 13). As the company invests to a certain extent in collaborations within the chain, they aim to avoid their practices and those of their partners will get too intertwined. For this reason, Zotter invests less in local capacity and prefers to see decision making independent from the businesses at the other side of the chains. Yet, it doesn't seem to affect the businesses and livelihoods within the chains. In the next part of the study, it will be analyzed to what extent Zotter gets engaged in collaborations beyond the chains.

4.3 Collaborations beyond the chain

This part will bring together the different approaches of the chocolate companies on collaborations beyond their chains. Other than in the previous parts, here, the focus will be on the collaborative approaches rather than the companies– as this will better illustrate how collaborations with public, private and/or social stakeholders can be incorporated by chocolate companies to scale up sustainability solutions within and beyond their chains. By looking upon the value of having stakeholders as partner, and analyzing the benefits and pitfalls that (can) come across when taking a collaborative approach, this part will hopefully provide a clearer view upon how chocolate companies can drive sustainable change beyond their chains.

4.3.1 ALIGNING WITH PUBLIC STAKEHOLDERS

From the three chocolate companies Tony's is the most actively engaged with public stakeholders. As Tony's believes, governmental support will be essential towards a sustainable cocoa sector. Therefore, the company puts great effort in aligning with public stakeholders to get more legislation introduced on sustainable trade in the sector. As Tony's argues, *'we need laws and regulations that turn the voluntary character of all those covenants and feeble agreements into obligations'* (Tony's Chocolonely, 2020, p. 55). To advocate for public reinforcement, Tony's uses different kind of instruments: from sending political parties a chocolate bar with handwritten letters to buying advertisements and starting petitions among civil society (figure 14; Tony's Chocolonely, 2020). Being a main player in the Dutch chocolate market, Tony's uses its position and voice to push its state governments to take a stance - making chocolate companies responsible for the injustices in their chains (Zotter, 2020x).



Figure 14: Lobbying activities Tony's Chocolonely (2020)



While these activities are mainly focused on lobbying, Tony's works also more equally together with public stakeholders. The company has as such invited US senators to get together to join efforts in the fight against illegal child labor and has planned a dialogue with the Dutch Minister for Foreign Trade and Development Cooperation to work towards a Living Income reference price for cocoa (Tony's Chocolonely, 2020). In this way, by taking a collaborative approach, Tony's aims to activate public stakeholders to support system-wide change in the cocoa sector.

Compared to Tony's, Divine and Zotter are less involved in sustainable initiatives with public stakeholders. As Zotter (2020x) argues, they have less of a role in the public arena which makes that they are less interesting partners for public stakeholders: *'If we try to lobby the government, they would just be like 'who the hell are you? Leave us alone'. You are more trouble than you buy cocoa'*. Hence, Zotter is not too much engaged in

collaborations with public stakeholders. Instead, the company focuses on raising awareness among customers and citizens – so that they are aware of the issues and the difference they can make by buying from sustainable companies and by voting for ‘sustainable’ political leaders. This way, Zotter encourages citizens to steer their public and private stakeholders (Zotter, 2020x). Likewise, Divine is involved in public debates. The company visits e.g. each year the United Kingdom to share stories of farmers and to raise awareness among the visitors on the difference they can make by buying fairtrade chocolate (Divine Chocolate, 2020). As both chocolate companies are not actively engaged in collaborations with public stakeholders, indirectly, they aim to steer public governance into taking social responsibility.

A stakeholder can influence a firm with any one of these attributes, but stakeholders will be most influential if they hold power, legitimacy, and urgency simultaneously – Thorlaxson, 2018, p. 1654

Whereas the previous part has mainly focused on collaborative initiatives in cocoa consuming countries, the initiatives can naturally also arise within cocoa producing countries. Yet, the chocolate companies are less involved in public collaborations in these countries. As a Tony (2020x) explains, their negligible volume in the total cocoa trade in the cocoa producing countries makes that they have not the power that they have in the Netherlands to influence the public environment. Having smaller trade volumes than Tony’s, this as well applies to Divine and Zotter.

This is not said that governments in cocoa producing countries are not at all involved within the companies’ chains. All chocolate companies are allowed to work together with local governments in the cocoa producing regions. Though, as Zotter (2020x) mentions, local cooperatives are usually in a better position to align with public stakeholders than they are as a global actor: *‘Like [...] in Peru, they applied for government grants for their projects. Sometimes they need to show a contract with us for cooperation or sometimes stuff like that, then we will do that of course. But we do not usually seek cooperation with the government, because it is far easier for the cooperative if they do that.’* This case of Zotter (2020x) reflects how chocolate companies can be for different reasons not too much engaged in public collaborations at the local level. The extent to which Divine, Tony’s and Zotter influence the public business environment in the cocoa producing countries is thus limited.

In conclusion, both Divine, Tony’s and Zotter are significantly more involved in collaborative initiatives with public stakeholders in their own countries of origin and cocoa consuming countries than in cocoa producing countries. As the companies stand closer to their own governments, and hold more power to encourage their public leaders to initiate laws and legislation on sustainable trade, it seems they can make a greater sustainable impact from ‘home’. Thereby, the state governments in cocoa consuming countries are the ones holding the legitimacy to obligate the companies that are based in their country to improve their chain management. For this reason, they seem the most valuable partners to align with as they are able to force chocolate companies to be part of the sustainable transformation of the cocoa industry and sector (Tony, 2020x; Sandra, 2020x).

4.3.2 TEAMING UP WITH OTHER COMPANIES

Through *leading by example*, both Divine, Tony’s and Zotter encourage other chocolate companies to act more sustainable. But also, they occasionally team up with other companies to support fair trade and sustainable businesses beyond their chains. Zotter has as such teamed up with other bean-to-bar producers and wineries, and Divine has joined forces with a winery and the House of Fairtrade through which they support sustainable businesses beyond their chains (Divine Chocolate, 2019; Divine Chocolate, 2020; Zotter, 2020x).



Yet, the private collaborations are more often shaped by short-term projects and programmes than long-term commitments to make a sector-wide impact (Divine Chocolate, 2020e; Zotter, 2020x). A reason for this can

be that Divine and Zotter are relatively small companies. As they have relatively a small voice in the public debate on the sustainability issues in the sector, it can be less interesting and/or pressuring for other chocolate companies to collaborate. As Zotter (2020x) explains, other companies usually ‘don’t need them’ as they can make their own products. Therefore, the possibilities to join efforts seem partly to depend on the volume and scale a company is acting in. For Divine and Zotter, this could explain why their private collaborations stay mostly limited to short-term and one-time projects.

Like every company we want to grow – but not because we want to be big for its own sake, but in order to get to a size where we can be resilient and strong, and ride volatile economic environments – Divine Chocolate, 2020e

For Tony’s, though, this might change soon as the company has recently taken a more active stance in private collaborations beyond its chains. Having initiated its Open Chain platform, Tony’s aims to outreach to other chocolate companies that aim to improve their chains and to contribute towards a sustainable sector (Tony’s Chocolonely, 2020). By showing the companies how they can improve their business and chain sustainable-wise and ‘what is in it for them’, Tony’s aims to stimulate them to follow suit and to balance entrepreneurship more with social morals (Guijt, Molenaar & Sopov, 2020; Blom et al., 2014). As the collaborations include long-term commitments, the platform is based upon the five principles Tony’s its chains are being built on: traceable beans, a fair price for cocoa, strong farmers, long-term commitments, improved production and less dependency on the cocoa. As Tony’s shares its expertise and tools on its platform, it also seeks pro-actively private stakeholders to join forces and ‘to change the norm in the industry’ (Tony’s Open Chain, n.d.). Tony’s found as such its first partner in Delicate, the chocolate line of Albert Heijn. And by joining efforts with more and more private ‘allies’, Tony’s aims to pressure the bigger players in the cocoa industry to follow suit and to set a higher sustainable standard in the sector (Tony’s Chocolonely, 2020; Tony, 2020x).

We inspire other key players to take action and are actively seeking partners who would be interested in applying our model. We do this by showing the impact we’re making, sharing lessons we’ve learned and by always being open to a good conversation.. while enjoying a piece of chocolate of course! – Tony’s Chocolonely, n.d.a

Tony’s aim is to create the conditions for the eradication of child slave labour, ultimately aiming to positively alter the practices of the bigger chocolate companies in the world – Beltman, in Guijt. Molenaar & Sopov, 2020

Lastly, an interesting element all chocolate companies share is the way they protect their sustainable business principles when getting engaged in private collaborations. The companies stay close to their values and don’t compensate on their values for the sake of a collaboration (Divine Chocolate, 2020x; Zotter, 2020x; Tony’s Chocolonely, 2020). To illustrate: when one of Tony’s private partners sold Tony’s chocolate bars to another party to sell it for a big discount, Tony’s decided to cut ties with this partner. As Tony’s attaches great value to its principle that farmers are fairly being paid for their cocoa, it communicates to all its partners this should as well be reflected in a higher price of the chocolate bars. By ending the collaboration, Tony’s protected and reinforced its principle of higher prices - stating that ‘*making chocolate and producing cocoa isn’t exactly free*’ (Tony’s Chocolonely, 2020, p. 71). Likewise, Zotter protects its Fairtrade and organic principles when getting involved in a collaboration (Zotter, 2020x). By taking a clear stance, both companies keep their own standards high when getting engaged in collaborative efforts with other companies. This way, companies will maintain their credibility – which will help them in their efforts to establish a sustainable cocoa sector.

4.3.3 COLLABORATING WITH SOCIAL STAKEHOLDERS

Both Divine, Tony’s and Zotter also work together with NGOs and citizens to strengthen sustainable initiatives and solutions within and beyond their chains. Divine works as such closely together with Fairtrade, SNV and B Corp to ensure farmers of a premium, to support them in their efforts to invest in their livelihoods and



communities, and *'to promote product lines, reach audiences with shared values and amplify the message that you can choose to buy from companies doing business differently'* (Divine Chocolate, 2018; Divine Chocolate, 2020). By doing so, Divine supports Fairtrade in its mission *'to secure decent working conditions, fair prices and better terms of trade'* in the cocoa as well as other sectors (Divine Chocolate, 2020b).

Fairtrade's vision is a world in which all producers can enjoy secure and sustainable livelihoods, fulfill their potential, and decide on their future – Divine Chocolate, 2020b

Also together with other NGOs, Divine aims to address the sustainability issues in the sector and to scale up sustainable solutions at the higher level of the industry. The company has e.g. teamed up with Oxfam to raise awareness on fair trade. Campaigning for more sustainable ways of doing business, meanwhile, the company promotes its chocolate philosophy through presentations, workshops, and special chocolate tastings (Divine Chocolate, 2018). On the ground, Divine is further working alongside the Royal Society for the Protection of Birds and the Sustainable Trade Initiative (IDH) to work towards a Forest-Friendly Cocoa vision for cocoa producing regions. To advocate for this vision, Divine joined together with one of its farmers and technicians a roundtable in the United Kingdom to speak on the forest-friendly definition. Both the farmer and technician are being part of the environment-friendly union Ngoleugorbu – a group of farmers who living alongside an ancient rainforest in Sierra Leone. As these farmers lead the way in terms of producing cocoa in harmony with the forest and its wildlife, and are working on innovative farming practices and sustainable business ideas, Divine decided to join forces in an effort to introduce their sustainable plans at the higher levels in the cocoa industry (Divine Chocolate, 2020e). This way, Divine aims to scale up sustainable solutions initiatives in the cocoa sector.

As well Zotter has initiated multiple collaborations with NGOs beyond its chains. One of these collaborations is in Peru, where the company supported a project of the Austrian Children Emergency Services that funded schools for children in Cajamarca, in the highlands of Peru. Many of the children here were working children, *'building bricks and things'*, that were by the NGO enabled to attend school (Zotter, 2020x). Another point, Zotter has initiated multiple chocolate bars to support NGOs in their mission to provide development aid and relief for countries in need (Zotter, 2020a; Zotter, 2012; Zotter, n.d.). Yet, it should be noted that most of the social collaborations Zotter is (been) involved in don't have anything to do with cocoa. As the collaborations are less beneficial for the cocoa sector, they allow Zotter to make a positive impact in the environments they are present (Zotter, 2020x).

In figure 15, a few social stakeholders are listed that are currently joining forces with Tony's. One of the stakeholders is Justdiggitt, a NGO that dedicates itself to restoring and regreening landscapes in Africa. As Tony's applauds the approach Justdiggitt takes, it decided to team up with them and to compensate 100% of its carbon emissions by land-reclamation projects. By supporting each other in the mission to contribute to a better world, Tony's aims to contribute to environmental sustainability beyond the chains (Tony's Chocolonely, 2020). As this will help slowing down climate change, it will also benefit the cocoa farmers and communities in the related regions (Justdiggitt, 2020).

Besides that, Tony's is currently exploring the potential of local role models for sustainable businesses in the cocoa producing regions. Recently, Tony's has assembled a group of local citizens that are themselves in a good socio-economic position and that want to help their neighbor' farmers to take their businesses to a more sustainable level. As they can serve as an example for their community and stand closer to their neighbors, they might easier gain the trust and be able to convince them it is possible to move up in the chain.

Figure 15: Some of the 'social' partners of Tony's (Tony's Chocolonely, 2020)



Being trained on storytelling by Tony's, local citizens might as local role models be able to play an important role in promoting professional and sustainable businesses in their communities (Tony's Chocologely, 2020).

In a broader context, local role models reflect the potential of strengthening local capacity in cocoa producing regions for sustainable businesses and livelihoods beyond the chains. Zotter (2020x) agrees with this, stating that showing support for sustainable initiatives at the local level – by e.g. paying higher prices for the cocoa will enable local actors to support their families and communities. In Zotter's chains, most cooperatives help their neighbors as such with health insurance and offer agricultural machines to borrow. Zotter applauds these social initiatives and encourages its partner's cooperatives to include the additional costs into their cocoa price – making it all-inclusive (Zotter, 2020x). Rather than collaborating, it might be more effective to enable local actors to build local capacity, to support them in sustainable initiatives and to encourage them to strengthen sustainable businesses and livelihoods within and beyond their chains.

On a final note, the chocolate companies should watch out not to see and treat the actors and chains as a mean of charity. As Zotter (2020x) argues, it is 'wrong' but also 'dangerous' to look on farmers as poor, neglected and passive citizens. As *'everyone has or should have power in the chain'*, charity-intended business models risk resulting in destructive mechanisms in which farmers become dependent on their support givers. Instead, it is advised to treat the actors as equal business partners and to make them responsible for their own actions. According to Zotter (2020x), this will enable them to build professionalism and self-confidence and to move up in the chain. Thereby, they need to know information and resources are worth something. As this will help the chain actors to become strong and independent, it will also secure the actors of a stronger position in talks with future buyers (Zotter, 2020x; Ron, 2020x).

Because it is not supposed to be charity. Charity also doesn't really help. If someone is in financial trouble, then of course, we are always open to talk. But if it is something that is really just the wrong handling, that could be done better and they knew better, then – that is a part that you know we are like you have also to take responsibility for your own actions – Zotter, 2020x

4.3.4 INVOLVEMENT IN MULTI-STAKEHOLDER INITIATIVES

Of the three chocolate companies, Divine and Tony's are the most familiar with multi-stakeholder initiatives. As Divine is itself derived from a multi-stakeholder initiative that resulted in democratically managed cocoa chains, it also gets engaged in multiple multi-stakeholder initiatives beyond its chains. A couple of years ago, Divine initiated e.g. a multi-stakeholder platform together with Fairtrade to gain financial support at the national and international level for one of its partner's

farmer associations - when a combination of extreme climate events together with crippling debts brought this association in serious trouble. As Divine decided to channel an additional amount of its Producer Support & Development Fund to the association, meanwhile it sought international aid relief so that its local partners could stay on their feet in a time of setbacks in their businesses and livelihoods (Divine Chocolate, 2020e).

While this was a one-time initiative, Divine is also more structurally engaged in multi-stakeholder initiatives. Here, the company focuses in special on the empowerment of women beyond its chains. The company joined as such a multi-stakeholder platform to raise awareness on gender injustice within global value chains. Since the platform connected over 400 partners and included organizations such as Oxfam, Waitrose and WH Smith, Divine could encourage retailers, customers and politicians to use their position to support sustainable livelihoods within the cocoa and other global value chains. Another level, Divine works also together with the Ghanaian company Participatory Development Associates (PDA) and farmers of Kuapa Kokoo in Ghana



to secure better labour rights for tenant farmers who are working within the regions Divine is active. To this end, Divine invested in training sessions for farmer representatives and district leaders in the regions, secured more formalized arrangements between the farmers and tenants about the tenant's labour and land rights, and installed a monitoring mechanism that will check upon the tenancy contracts as well as occurrences of illegal child labour. By working together with farmers and stakeholders on the ground, Divine succeeded to secure a *'tenancy agreement template which will be distributed to all beneficiary farmers and a process by which the application of the formal agreements will be monitored and evaluated by a dedicated team'* (Divine Chocolate, 2018). These initiatives show how joining forces can contribute to sustainability solutions in the cocoa producing regions.

Similar to Divine, Tony's is involved in multi-stakeholder initiatives at both a local and global level. One of the initiatives is the Dutch Initiative on Sustainable Cocoa (DISCO) in which as well governments, retailers, NGOs, traders and chocolate companies are represented. As the stakeholders share all the interest to shape a sustainable future for the cocoa, they have made commitments to end deforestation and to secure 'current and future cocoa families of a better livelihood in the cocoa producing countries (IDH, n.d.)'. The stakeholders from the interviews value the initiative in special for the broad representation of main stakeholders, for getting different voices heard and for the agreements made on sustainable solutions (Anna, 2020x; Lisanne, 2020x; Fairtrade, 2020x). Another point, Tony's is currently involved in the Beyond Chocolate Partnership. Within this Belgian partnership, both chocolate makers and retailers have made commitments to end deforestation, to tackle illegal child labor, and to secure farmers of a living income in the chains. And as they have agreed that Belgian chocolate produced in 2025 should be certified, that the farmers should in 2030 be secured of a living income and that deforestation should be ended in that same year, the initiative seems to yield fruit. By supporting these kind of initiatives, such as DISCO and the Beyond Chocolate Partnership, Tony's aims to drive positive change in the sector (Tony's Chocolonely, 2020).

The involvement of multiple players is so important because, in order to really change the industry from the inside out, all of the players in the supply chain need to work together – Tony's Chocolonely, 2020, p. 42

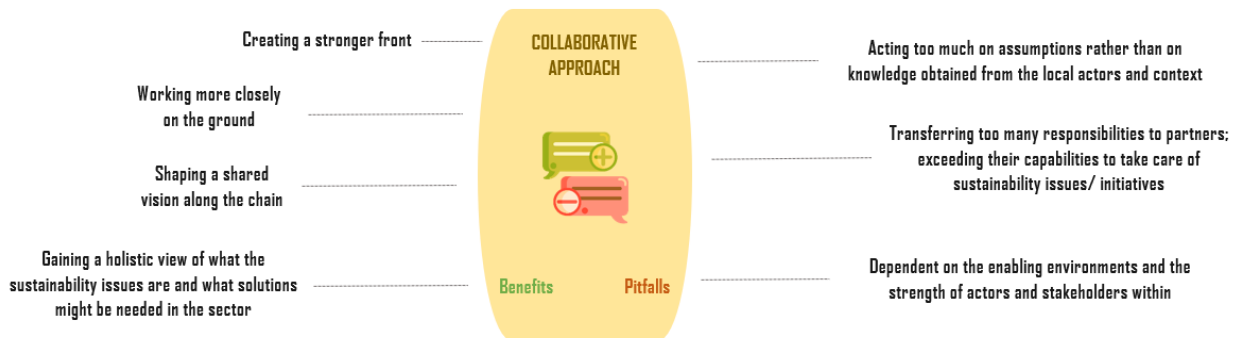
Zotter is less engaged in multi-stakeholder initiatives. Occasionally, Zotter is involved in small initiatives in Austria, but other than that not too much (Zotter, 2020x). As the company is willing to share its expertise and experiences with others in the field, it doesn't see it as their responsibility to tell other actors how they should manage their chains. According to Zotter (2020x), each company has to find its own sustainable way of doing business: *'I would never say that our style of business of buying raw materials and making it all the way is the perfect concept for the entire world of everyone'*. Zotter thus doesn't want to lay its sustainable approach and business philosophy onto other companies which makes it as well less pressuring to get involved in multi-stakeholder initiatives (Zotter, 2020x).

From the multi-stakeholder initiatives initiated, the vast majority seems to be initiated in the cocoa consuming countries. Significantly less multi-stakeholder initiatives seem to be shaped in the cocoa producing countries. A reason for this might be that rather than in European countries, where the chocolate companies are based, in most producing countries there is less a culture of collaborating, roundtables and cross-pollination. As it is argued, this makes it more difficult to collaborate in the regions (Anna, 2020x; Sandra, 2020x; Ron, 2020). Yet, it would be of value to have multi-stakeholder initiatives also more embedded in the producing countries as this would allow the companies to work more closely on the ground – where the sustainability issues are the most prevalent. Investing in multi-stakeholder initiatives in the cocoa producing countries might help the companies to make a greater and more lasting impact in the cocoa sector.

4.4 Taking a collaborative approach: Benefits and pitfalls

Bringing together the different approaches Divine, Tony's and Zotter take upon collaborations beyond their chains and laying them side by side the interviews with stakeholders, they shed light on some benefits as well as pitfalls that are attached to collaborations and their contribution towards sustainability beyond the chains (figure 16).

Figure 16: Benefits and pitfalls of pursuing a collaborative approach



The greatest value of collaborating might be that the chocolate companies can **create a stronger front** that has more power to make a sustainable impact in the sector. By joining forces with chain actors and public, private and/or social stakeholders, the companies and partners can use each other's position and strengths to build local capital, to scale up sustainability solutions and to work more effectively on sustainable change within the chains and regions they are active (Ron, 2020x; Anna, 2020x; Femke, 2020x).

Because only together we'll make 100% slave free the norm worldwide – Tony's Chocolately, 2020

Thereby, collaborating with local actors offers chocolate companies the opportunity to **work more closely on the ground** on sustainability issues within and beyond their chains. According to Anna (2020x), it will especially be interesting when the companies are able to tackle sustainability issues in cooperation with farmers as most of the issues manifest themselves at the farmer's level. Collaborating with local actors allows Tony's e.g. to address child labor issues at the source while involving the farmers and families in the execution of the Child Labor Monitoring and Remediation System. Besides, it helps the companies to build local capacity through which they support local actors to pursue sustainable initiatives that are being initiated in the region (Lisanne, 2020x; Femke, 2020x). Altogether, the collaborations can allow the companies to support their local partners to initiate and pursue sustainable initiatives, and help them to incorporate effective solutions for issues that hinder the local actors from gaining a decent livelihood.

Another strength of a collaborative approach is that it can bring global and local chain actors together - which contributes to **a shared vision along the chain**. Like in Divine's chains, in which the Kuapa Kokoo farmers are be involved in board meetings and decision making of the chocolate company that concern the entire chain, and through which they as local actors shape together with the global actors the vision for the chain. The farmers deliver input about how the chocolate is produced and sold, while they learn about market trends from their global partners. As this helps the actors to get a better understanding of each other's priorities and businesses, it also helps them to get on the same page of the plans for the chain (Divine Chocolate, 2020b; Myers, 2020x; Gallo, Antolin-Lopez & Montiel, 2018). Besides that, visits like those of Zotter - to the chocolate factory and cocoa farms - help the actors to get a better understanding of each other's values and enables Zotter to create sustainable plans that align with the local needs within the chain (Zotter, 2020x). This way, the collaborations allow the chocolate companies and other chain actors to gain a holistic view of the chain, to shape a common

understanding and to create a shared vision for sustainable businesses and livelihoods within and beyond the chains.

In collaborations with chain actors, the chocolate companies though tend to be in control of the decisions that ultimately steer the chain into certain sustainable pathways. As this can secure them of positive outcomes of the sustainable programmes and plans initiated in the chains, it can also become a pitfall when the companies **act too much on assumptions** and overlook the local context and local interests in the chains (Anna, 2020x; Ron, 2020x). In the context of this study, Tony's and Zotter held a certain dominant position in their collaborations with chain actors, as the actors don't have a say in final decisions of sustainable plans that concern businesses and livelihoods throughout the chain (Zotter, 2020x; Tony, 2020x). As it is reasonable that the companies take the lead in the chain, having as global actor oversight of the whole chain, a lack of local involvement in decision making risks to sustain the dominant position of the chocolate companies in the cocoa sector and to sustain the power inequalities that exist within the chains (Ron, 2020x).

But also the other way around, the companies should watch out they **transfer not too many responsibilities to their chain partners**. As reflected in the collaborative approach of Tony's and addressed by stakeholders, one of the pitfalls of collaborating is that partners are be given responsibilities while they don't have the capability and capacity to take care of the sustainability issues and/or initiatives they are assigned to. For this reason, Tony's decided with its Open Chain platform to let its partners use its infrastructure - allowing them to import cocoa from Tony's chains. By enabling them to lift on its sustainable values and business, Tony's aims to make it easier for chocolate companies to improve their business and to increase the volume that is needed to make an impact in the sector (Tony's Open Chain, n.d.; Tony's, 2020x). Yet, at the same time, it risks that partners will rely too much on the sustainable efforts done by the sustainable companies – such as Tony's – without incorporating structural betterments in their businesses and when setting up their own chains (Femke, 2020x).

Therefore, as stakeholders in the interviews argue, chocolate companies should aim to find a balance between sharing responsibilities and keeping self-control, so that they will support self-consciousness, independency and sustainable actions among their partners but won't exceed their partners' capabilities to push sustainable change in the cocoa sector (Anna, 2020x; Ron, 2020x). As this will be a challenge, in the perfect situation, the companies will be able to exert limited control while supporting their partners in their sustainable efforts and steering the outcomes of collaborative efforts into the right direction.

On another point, beyond the chain, collaborations are especially valued for bringing different kind of actors and stakeholders together. In the interviews, multiple stakeholders expressed their expectations and positive experiences with multi-stakeholder initiatives. As they believe, these initiatives show much promise to drive structural change in the sector as they hear different perspectives and interests within and beyond the chains, stimulate sector-wide agreements and commitments, facilitate cross-pollination, and look after the different positions and priorities of actors within the chains (Sandra, 2020x; Ron, 2020x; Mark, 2020x). By bringing together the different perspectives, chocolate companies and stakeholders can work towards a more holistic view of the position of actors, and the root causes of sustainability issues in the sector. Shaping a collaboration all-inclusively, **it will become clearer what will be needed** to structural change the underlying system of the chains and to drive sustainable change in the sector (Femke, 2020x).

The promising prospects of multi-stakeholder initiatives are as well reflected in the collaborative approaches of Divine, Tony's and Zotter, which show how investing in outreach and joining forces with stakeholders that share the same goal (and intrinsic motivation) can trigger sector-wide positive change (Femke, 2020x; Ron, 2020x). A multi-stakeholder platform allowed Divine e.g. to raise awareness on gender injustice within cocoa chains, while Tony's is currently involved in a multi-stakeholder initiative in which Belgian chocolate makers and retailers have made commitments to tackle deforestation and illegal child labor and to secure farmers of a liveable income in their chains (Divine Chocolate, 2018; Tony's Chocolonely, 2020). As these commitments cover various sustainability issues and reach beyond a company its chains, Tony's can support

sustainable change in the wider range of the sector. By doing outreach, the companies can set an example in the cocoa industry – steering different stakeholders into more sustainable behavior. Stakeholders in the field regard this essential to structurally drive sustainable change in the sector (Femke, 2020x; Ron, 2020x; Anna, 2020x).

On an attentive note, stakeholders should be aware that chocolate companies also depend to a certain extent on the enabling environment to what extent they can pursue a collaborative approach in the regions they are active. This can become a pitfall when the companies and stakeholders **underestimate the importance of having a supportive enabling environment in the cocoa producing regions**. Currently, Divine, Tony's and Zotter work together with multiple stakeholders in their 'own' countries – cocoa consuming countries, where they hold a relatively significant market share and are relatively influential actors to collaborate with. Yet, as they make a certain impact in these countries, ultimately, the improvements need to triple down to the cocoa producing countries - where sustainability solutions are the hardest needed. Yet, in most cocoa producing countries much has to change to create an enabling environment that will support sustainable businesses and livelihoods within the chains. According to stakeholders, the lack of mindset of the farmers and political support in cocoa producing countries should not be overestimated as an obstacle for transforming the sector in a sustainable way (Merijn, 2020x; Sandra, 2020x; Ron, 2020x; Lisanne, 2020x). To this end, transforming the enabling environment – and embedding a collaborative culture - in the countries might need more attention.

4.5 Concluding considerations

Looking back to the previous part, the chocolate companies take a strong collaborative approach beyond their chains. As this allows them to scale up sustainable initiatives and to support sustainable development beyond their chains, the approach touches also upon some limitations and pitfalls. As aligning and working together with stakeholders can e.g. support the companies in their efforts to turn sustainable principles into enforceable standards and to address sustainability issues more on the ground and at a wider scale, they can risk to transfer too little or too many responsibilities to their partners. Besides that, the companies seem to underestimate the importance of a supportive and collaborative (public) enabling environment in the cocoa producing countries to effectively drive sustainable change in the regions their local partners are active.

In this light, for a just interpretation of the outcomes of this study, one should be aware that collaborating is not the end goal but a *means* to strengthen sustainable businesses and livelihoods in the cocoa sector. Taking this into consideration, the next chapter will bring the different elements of this research together to provide an answer to the main question to what extent a collaborative approach can enable chocolate companies to drive sustainable change beyond their cocoa chains.



CONCLUSION

Table of contents

Collaborating for sustainable chains

Scaling up sustainability solutions beyond the chains

Towards a sustainable cocoa sector



In the previous parts, it is being discussed how collaborations are incorporated by Divine, Tony's and Zotter to support sustainable businesses and livelihoods within and beyond their cocoa chains. Thereby, various stakeholders are asked about the strengths of collaborations and on what they think will be essential to drive sustainable change in the cocoa sector. In this part, the different elements will be brought together – answering the main research question:

To what extent can a collaborative approach enable chocolate companies to drive sustainable change beyond their cocoa chains?

5.1 Collaborating for sustainable chains

First of all, both Divine, Tony's and Zotter show how collaborating within the chain contributes to sustainable chains. As Divine works alongside its farmers on sustainable plans for the chain and aims to empower female farmers within its chains, Tony's works together with its farmers on sustainable solutions for issues as illegal child labor and aims to enable them to gain a better livelihood. Likewise, Zotter attaches value to stand close to its farmers and strives to visit annually farmers to exchange stories and experiences and to listen and learn from its 'business partners'. The chocolate companies take as such a strong collaborative approach in which the concepts on local capacity and local knowledge and values are well embedded within their chains. As the companies aim to provide the farmers decent livelihoods, they all make efforts to build local capacity and to enable the farmers to strengthen the value at their side of the chains (Enright et al., 2018).

Thereby, the companies aim to listen to the farmer's perspective and values and to involve them in the plans and vision for the chain – so that they will translate sustainability issues into effective sustainability solutions at the farmer's level. Here, the companies align with the statements on sustainable chains of Ross (2014) and Wijaya et al. (2018) from the theory, who argue that local interpretation and local adaptation will be essential to effectively work towards sustainability solutions within the chains. In line with this, the companies aim to invest in equal, trustworthy and long-term relationships with their chain partners – so that they can build local capacity, strengthen their chains sustainable-wise and support the actors in their businesses and livelihoods.

Besides that, the sustainable collaborations with chain actors also enable the chocolate companies to support sustainable businesses and livelihoods beyond their chains. Currently, Tony's supports as such farmers to be role models for sustainable businesses and livelihoods within their communities. As in the theory, it is stated it might be a challenge for companies to seek how to roll out their sustainable values and programmes beyond their chains (Van Tulder, 2009), this case of Tony's illustrates how farmers can become local 'change agents' within their communities. Dealing with it more practically, Zotter shows further how an inclusive cocoa price enables farmers to help their neighbors with material resources and arranging health insurance. In light of the words of Azapagic (2003), Zotter encourages the farmers to feel 'socially accountable' and to support their communities beyond the chains. This way, all chocolate companies encourage, support and/or enable their chain partners to scale up sustainable solutions beyond the chains.

Yet, as the collaborative approaches of Divine, Tony's and Zotter illustrate, an important requisite to establish sustainable chains and to effectively tackle sustainability issues within the chains is to have a traceable chain. Here, all companies have incorporated the bean-to-bar model through which they have gained full oversight of the chain and its actors and businesses. As it helps the companies to identify issues in their chains, it also enables them to find the right actor for a job and to work effectively (together) on sustainable solutions within the chain. As in the theory it is stated that traceability is an important element for sustainable collaborations, the approaches the companies take here and the interviews with stakeholders underline that traceability might be essential to create sustainable chains and to establish a sustainable sector (Van Tulder, 2009; Parikh, Patel & Schwartzman, 2007; Femke, 2020x; Anna, 2020x; Ron, 2020x; Sandra, 2020x; Mark, 2020x).

5.2 Scaling up sustainability solutions beyond the chains

To come closer to this sustainable sector, collaborating with stakeholders beyond the chains shows promising prospects. As it allows the companies to create a shared vision along their chain and to support chain partners to initiate and/or pursue sustainable initiatives beyond their chains, it also enables the companies to create a stronger front. To this end, they can work more effectively towards sustainability solutions for their chains and sector. All the companies work as such together with several certification organizations to support them in their mission to strengthen responsible buying behaviour and to scale up sustainable standards in the cocoa industry (Zotter, 2020x; Divine Chocolate, 2020; Tony's Chocolonely, 2020). Additionally, the companies are actively involved in sustainable initiatives in the sector. Divine works as such alongside NGOs on a Forest Friendly vision for cocoa producing regions, while Tony's aims to team up with other chocolate companies to help them in their efforts to source the cocoa more sustainable. As the private and social collaborations are based upon the sustainable elements of 'trust, close ties and a shared vision' from the theory (Gereffi & Lee, 2016), the chocolate companies can expand their reach and do support sustainable businesses and livelihoods beyond the chains – reaching wider regions and broader communities than they would be able to reach alone.

Thereby, joining forces with private, social and/or public stakeholders helps the chocolate companies to lobby more successfully on sustainable laws and legislation for the cocoa industry. Tony's lobbied as such together with stakeholders to get a law introduced in the Netherlands on illegal child labor within global value chains. And, as since recently, a new law is being introduced on illegal child labor and probably also due diligence, Tony's lobbying activities seem to have contributed to these laws that will force Dutch chocolate companies to gain insight in their chains and to address cases of illegal child labor within their chains. The collaborative efforts enabled Tony's as such to gain political backing and to legitimize sustainable standards in the wider range of the sector – which means a lot, judging from the words of Gereffi and Lee (2016) and Wijaya et al. (2018) from the theory and the statements made in interviews. As they mention that state governments are able to set more sustainable standards in the industry and can force 'their' chocolate companies to take care of sustainability issues within their chains, collaborating for lobbying helps the chocolate companies to push (indirectly) other companies into more responsible acting (Fairtrade, 2020x; Femke, 2020x; Sandra, 2020x; Anna, 2020x).

Though, the most potential to scale up sustainability solutions might lie in multi-stakeholder initiatives. As the study shows, these initiatives allow the chocolate companies to support sustainable change in the enabling environments they are active, to set more ambitious standards and make more ambitious commitments for a sustainable sector, and to drive positive change beyond their chains - in regions where they formerly couldn't be of any help. With initiatives such as the Beyond Chocolate Partnership, the Labour Rights project and the various campaigns on sustainable trade, the companies can support sustainable change beyond their chains. In line with the theory, the study illustrates how such initiatives through networking and joint action enable the chocolate companies to create a more *'integrated, comprehensive and scalable'* approach for sustainable change beyond their chains (Hazlewood, 2015; Wijaya et al., 2018; Melo, 2018).

Yet, a collaborative approach includes as well some aspects that can hold the chocolate companies back from scaling up sustainability solutions beyond their chains. As in the theory, it is stated state governments can as well use their power to hinder sustainable change in the sector (Gereffi & Lee, 2016; Taglioni & Winkler, 2016; Wijaya et al., 2018), the study reflects how the companies are being withheld in their sustainable efforts by weak enabling environments and often bureaucratic (state) governments in cocoa producing countries. As the (state) governments can be valuable partners for creating a supportive business environment, supporting sustainable farming practices and ensuring everything is in order in their chains, a lack of public capabilities, responsibility and political stability together with an imbalance in public and private powers in the countries make as of now that the companies are often being withheld to incorporate structural sustainability solutions on the ground. As this makes it difficult to pursue a collaborative approach in cocoa producing countries, the

chocolate companies are limited in their capabilities to drive positive change beyond their chains - in regions where sustainability issues are the most prevalent.

5.3 Towards a sustainable cocoa sector

In sum, while a collaborative approach can to a high extent enable chocolate companies to support sustainable change beyond their chains and is even regarded by stakeholders as essential to establish a sustainable cocoa sector (Ron, 2020x; Femke, 2020x; Anna, 2020x), it might be too strong to state that the companies are being enabled to ‘drive’ sustainable change beyond their chains. As collaborating certainly helps the companies to scale up sustainability solutions beyond their chains as well as allows them to support sustainable businesses and livelihoods in the wider range of the sector, the collaborative efforts seem as of now more to ‘support’ rather than to ‘drive’ sustainable change in the sector.

In light of the different scales/levels of collaborating from the theory (Hazlewood, 2015), for the collaborative approach to become more effective, more sector-wide and long-term commitments will be needed. As Divine, Tony’s and Zotter invest all in several joint projects and programmes to address and/or tackle sustainability issues in the sector, they are less involved in strategic alliances that take a longer period of time and covering multiple sustainability issues at a sector-wide scale. This is not said that small-scale projects and one-time collaborations aren’t of any help, neither that the companies aren’t involved in any long-term collaborations and commitments at all. Tony’s is e.g. making great efforts to create a greater impact; by implementing the Child Labor Monitoring and Remediation System and its Open Chain platform. Yet, the collaborative efforts seem as of now too limited in the wider perspective of the sector. To create structural solutions, more long-term collaborations will be needed - that include multiple issues, stakeholders and actors within and beyond the chains. In other words: the chocolate companies have to work towards a more holistic action plan to drive sustainable change in the cocoa sector as a whole.

At the same time, more will be needed to establish a sustainable cocoa sector. To use the words of Taglioni and Winkler (2016), sustainable [cocoa] chains can open doors *‘but they are not magical’* (p. 26). As long as the political enabling environment in the countries allows the chocolate companies to pay cocoa farmers 78 cents a day, and governmental officials to swallow up 30% of the cocoa price for their bureaucracy, structural change in the sector seems a long way off. For this to change, the underlying system of the chains needs to change – in which state governments take a clear stance. By putting prosperity next to profits, preferring the wellbeing of the citizens to their own economic interests and creating more economic opportunities beyond the cocoa, the governments will shape a more supportive fundament for sustainable trade. As this calls for a transformation of the capitalistic system as it works now, meanwhile, farmers need to professionalize their businesses and to raise up their game to secure a decent price for their cocoa. As these are a lot of issues that need to be tackled, solving them seems essential to establish sustainable cocoa chains in the sector as a whole (Sandra, 2020x; Merijn, 2020x; Femke, 2020x; Mark, 2020x; Ron, 2020x; Anna, 2020x; Lisanne, 2020x; Taglioni & Winkler, 2016).

To this end, a collaborative approach could be of great help.

REFLECTION

Table of contents

Recommendations for chocolate companies

Limitations of the research and study

Suggestions for further research



In the study, different aspects came to the fore that didn't need further explanation for the main focus of the research but that included some interesting aspects, limitations and/or angles to reflect on. To this end, this chapter will look upon those aspects that might be valuable for chocolate companies to incorporate (more) in their business approach; discuss the various limitations that are attached to this research and study; and touch upon promising yet underinvestigated subjects that might be interesting angles for further research. Altogether, this chapter will hopefully provide a comprehensive reflection on the research.

6.1 Recommendations for chocolate companies

The collaborative approaches of Divine, Tony's and Zotter and the interviews with stakeholders include some distinctive aspects that might help chocolate companies to drive sustainable change within and beyond their chains. This part will shed a light on these aspects, that are recommendations for chocolate companies that strive to strengthen shared value within and beyond their chains. While the first three recommendations are related to the company's own chain, the latter three are focused on sustainable development beyond the chain.

The first recommendation is inspired by the approach Divine takes to share power and equity with the farmers within its chains. As this is rare and will not for all chains be viable, Divine's approach shows how involving actors in decision making contributes to shared value and sustainability within chains. In this light, for other chocolate companies, it might be interesting to involve local actors more in decision making and to give them a bigger voice within their chains. As Ron (2020x) argues, this will create more balanced chains in which the actors will be better able to communicate with each other; to shape together a shared vision that is supported by all chain actors, and to solve sustainability issues more on the ground. This is being backed up by Fairtrade (2020x), who advocates for a more democratic system within global value chains - in which farmers have an equal voice and can gain a stronger position within their chains. As this will strengthen relationships within the chains, it will also support farmers to drive sustainable change within and beyond their chains.

Another point, it might be interesting for chocolate companies to work more closely together with the traders in their chains. As of now, a trend of direct trade in cocoa has put the position of the traders at risk. Therefore, traders are increasingly investing in sustainability to differentiate themselves in the international market. For chocolate companies, this development might offer opportunities to join efforts with their traders. As traders can help the companies to gain a better understanding of the sustainability issues on the ground, they can be valuable partners for the companies to drive positive change at the local level. In light of sustainable trade, it might as well be more sensible to collaborate with the traders than to remove them from the equation. While direct trade can make the chains more transparent, it is namely being called into question whether direct trade also supports sustainable development within and beyond the chains. As Merijn (2020x) and Sandra (2020x) point out, direct trade risks to strengthen the vulnerable position of farmers, as they tend to become dependent on fewer buyers, and to affect the local employment that is (indirectly) being created by the traders (Merijn, 2020x; Sandra, 2020x). As it is thus being questioned whether the benefits of direct trade outweigh the risks, it might be more sensible for the companies to explore how they can join efforts with their traders to support sustainable development within and beyond their chains.

The third recommendation for the companies is provided by Zotter (2020x), who states that actors and chains should not be seen and treated as a means of charity. As Zotter (2020x) states, this is a serious area of concern within global value chains. Although it is usually well-meant by the ones that initiate a certain collaboration, the approach often turns out counterproductive – making the actors dependent and more vulnerable than they were before the collaboration. To this end, chocolate companies should aim to build their chains upon equal relationships, independent businesses and own responsibilities as this will support the actors and communities the most. In other words: no *aid*, but *sustainable trade* will make the most positive impact.

On the level beyond the chain, more investments in long-term commitments with stakeholders seem needed to drive sustainable change in the sector. As of now, chocolate companies are mainly involved in short-term, one-time collaborations such as projects to build schools and water wells. Though, while these projects mean a lot to the actors and communities in the concerning regions, their impact on the overall sector stays limited. It seems essential to collaborate with stakeholders over a longer period of time and on a wider range of scale to structurally tackle the root causes of issues actors are dealing with on a day-to-day level and to scale up solutions in the sector. Thereby, the companies will help their chain partners the most by supporting the main cause: the cocoa, and by doing responsible business. This seems essential to bring structural change in cocoa chains and to steer the cocoa sector into more sustainable pathways (Ron, 2020x).

Thereby, it is being advised to invest more in ‘pilots’ of collaborative initiatives and sustainable programmes in the sector. As Anna (2020x) argues, the initiatives and programmes are too often judged on their outcomes while failure can also contribute to a clearer view of what will be needed to drive more successful sustainable change within and beyond the chains. In this light, Anna (2020x) advises companies and stakeholders to ‘test’ more and to see the initiatives and programmes more as a ‘pilot’ of what works and what doesn’t. This way, the chocolate companies will be able to gradually improve their sustainable initiatives - on the route towards a sustainable cocoa sector.

Besides that, chocolate companies are being advised to involve more in collaborations in the cocoa producing countries. Currently, most collaborations take place in cocoa consuming countries. The companies are mostly engaged in multi-stakeholder initiatives and collaborations with other chocolate companies that are initiated in the ‘global North’. While this is reasonable, the companies lack to tackle sustainability issues more on the ground - together with stakeholders that are embedded in the core of the problems and that have better insight into the local situation. By teaming up with other companies, public stakeholders and communities in the producing countries, and by getting more engaged in multi-stakeholder initiatives at the local level, the companies might enable local actors and stakeholders to drive positive change in the sector (Sandra, 2020x). Here, it can be of help to involve a global stakeholder as an ‘outsider’ in a collaboration between actors and local stakeholders. Having no attached history with the partners involved, these global stakeholders might be able to connect the different partners and their interests – functioning as such as a bridge between the partners while staying ‘neutral’ and choosing no one’s side (Ron, 2020x).

Building on this, the biggest chance of success to steer collective action and create structural changes in the sector might lie in collaborations with both global and local actors and/or stakeholders. As global actors and stakeholders usually possess capital and knowledge on the market trends in cocoa consuming countries, local actors and stakeholders have valuable insights into the local business conditions and sustainability issues in the cocoa producing countries. Having both *global* and *local* actors and/or stakeholders represented in the collaboration, the local partners can share local expertise and experiences while the global partners can share market information and (financial) resources with their local counterparts. As they complement each other, the collaborations can help the chocolate companies to create sustainability solutions that align with the needs of actors and communities within and beyond the chains.

6.2 Limitations of the research and choices made

Reflecting on the research and choices made, the research and study include as well some limitations that are important to be aware of. These limitations touch upon the focus of this research and study, but also upon the theoretical and empirical choices, and assumptions made. As they all influence the outcomes of the research in a certain way, here a critical view will be given on the choices made behind the research and (case) study.

First of all, this research focuses on chocolate companies - as they have the position and power to be change agents and to steer the chain into more sustainable pathways. Here, it aligns with the saying of Femke (2020x)

who states that with '*great power comes great responsibility*'. However, this doesn't mean other actors and stakeholders have less of a duty to support sustainable solutions within the sector. As state governments can use their position to encourage the cocoa industry to act more sustainable by introducing laws and legislation; farmers can implement sustainable farming practices, and citizens can decide to buy more fair trade products. So, every actor within and beyond the chain has a certain responsibility to contribute towards a sustainable sector.

As we say at Tony's, "Don't stick your head in a mountain of cocoa beans!" Everyone in the chocolate chain has to take responsibility to make chocolate slave free – Tony's Chocolonely, 2020

Thereby, it can be called into question whether chocolate companies are indeed the ones that should be kept accountable for the sustainability issues in the chains. Do they lack in their chain's management, or can other actors and/or stakeholders in the sector be kept accountable as well? According to Gino (2020x), customers are main responsible as they create a cheap demand for cocoa and companies are just the ones fulfilling their wishes. On the other end, Merijn argues one should not overlook the issues at the local level. With corruptive governments being in control and managing all of the land rights, they hold the farmers back from scaling up their businesses and from moving up in the chains. But also the farmers lack birth control, commitment and professionalism. As this research pays not too much attention to the role farmers themselves can play to build their business and to secure better livelihoods, at the local level also much has to change to drive sustainable change in the local businesses and livelihoods within the chains (Merlijn, 2020x).

On another note, this research is based upon the assumption that the companies have the right intentions in collaborative efforts within and beyond their chains. Yet, there is always a risk this is not the case. As Ron (2020x) points out, in multiple cases, chocolate companies use collaborations as a strategy to greenwash their businesses and to satisfy their stakeholders - while in reality the livelihoods of troubled actors are not being improved. In line with this, chocolate companies can also use collaborations as an instrument to *adjust* rather than to *change* situations - which gives them the chance to slow down structural transformations within their chains. This way, the companies can secure themselves of their 'sustainable marketing story, while having not much improved for the other actors in the chain (Bitzer, 2012).

Lastly, the research mentions how chocolate companies should aim to invest in equal relationships with actors in their chains. Yet, collaborations are never fully power-neutral. It might not be intended, but there is always a certain power imbalance within a chain and collaboration due to existing resource- and power- asymmetries. Thereby, as initiator, chocolate companies hold often Northern perspectives on how to improve their chains sustainable-wise – perspectives that '*encounter vastly different realities in the various places of production*'. As it is often done unconsciously, the perspective of the companies shapes a certain dominant view on how to manage chains and how to see and treat the actors within. As it can be fought against by asking for feedback and striving to keep an open mind, readers should be aware power inequalities are always to a certain extent embedded in collaborations and global value chains (Bitzer & Glasbergen, 2015, p. 38).

6.3 Suggestions for further research

For further research, it might be interesting to look into the potential of using local role models to build local value and sustainable development beyond the chains. As Tony's has recently decided to invest in local role models to promote sustainable businesses in the communities, supporting local role models shows promising prospects for chain actors to build local capacity, to encourage self-sufficiency and to strengthen sustainable businesses and livelihoods within cocoa communities. This is backed up by Ron (2020x) and Mark (2020x), who applaud the concept of farmer field schools in which the companies seek together with farmers how they can make use of local capacity to support sustainable businesses and livelihoods in their communities. Being it a relatively upcoming approach, it is yet unclear to what extent farmers as local role models can play a role

in the sustainable development of chains and regions. Hence, this angle might be interesting to further explore – being the outcomes relevant for actors and/or stakeholders in the field.

Each sector has a valuable role to play, but it is in collaboration that real transformation comes – Albrechtsen, 2017

Besides that, it might be interesting to put the research question into a broader perspective – by looking upon collaborations in the wider range of the agricultural sector. As some sustainability issues don't affect a single cocoa chain and form an issue for the entire cocoa sector, some issues aren't limited to the cocoa sector and are a cross-sectoral challenge. To this end, it might be interesting to examine to what extent cross-sectoral collaborations can help importing companies to tackle sustainability issues in their sector(s) as a whole (Van Tulder, 2009). As Albrechtsen (2017) argues, *'cross-sector partnership is essential to achieving the scale and sustained impact we need to see'*. This is backed up by Van Tulder (2009), who states actors and stakeholders have to *'move beyond bananas, beyond cotton, beyond coffee and beyond cocoa'* to establish overall growth (p. 78). Exploring to what extent cross-sectoral collaborations can be of value - and possibly: needed – might deliver valuable insights for chocolate companies and other importing companies within similar global value chains.

Annexations

Annex 1: List of interviewees¹⁶

	<i>Organization</i>	<i>Interviewee</i>
1.	CBI (formerly: Tony's Chocolonely)	Femke
2.	CBI	Lisanne
3.	CBI and MVO	Ron
4.	Tony's Chocolonely	Joke
5.	Zotter	Julia
6.	Fairtrade	Alien
7.	Customer	Gino
8.	PBL	Mark
9.	KIT	Anna
10.	Fairfood (formerly: CBI)	Sandra
11.	ASCOT	Merijn

¹⁶ Interviews are mostly done via Skype or by telephone, except the ones of Gino and Ismael. These are conducted by e-mail. Due to technical issues, the interviews of Lisanne and Joke could unfortunately not be transcribed. Nonetheless, these are as all-inclusive as possible be summarized.

Bibliography

- Aboa, A. & Bavier, J. (2019, June 28). Ivory Coast and Ghana team up for greater share of chocolate wealth. Retrieved on June 3, 2020, from <https://www.reuters.com/article/us-ivorycoast-ghana-cocoa-%09insight/ivory-coast-and-ghana-team-up-for-greater-share-of-chocolate-wealth-idUSKCN1TT0RY>
- Akhtar-Schuster, M., Thomas, R. J., Stringer, L. C., Chasek, P., & Seely, M. (2011). Improving the enabling environment to combat land degradation: Institutional, financial, legal and science-policy challenges and solutions. *Land Degradation & Development*, 22(2), 299-312.
- Albrechtsen, A. (2017, January 31). Why collaboration will be key to achieving the Sustainable Development Goals. Retrieved on August 10, 2020, from <https://www.weforum.org/agenda/2017/01/realising-the-potential-of-cross-sector-partnerships/>
- Azapagic, A. (2003). Systems approach to corporate sustainability: a general management framework. *Process Safety and Environmental Protection*, 81(5), 303-316.
- Bhatnagar, R., & Viswanathan, S. (2000). Re-engineering global supply chains: Alliances between manufacturing firms and global logistics services providers. *International Journal of Physical Distribution & Logistics Management*, 30(1), 13-34. <https://doi.org/10.1108/09600030010307966>
- Bitzer, V. C. (2012). Partnering for Change in Chains: the capacity of Partnerships to Promote Sustainable Change in Global Agrifood Chains. *International Food and Agribusiness Management Review*, 15(B), 13-38.
- Bitzer, V., & Glasbergen, P. (2015). Business–NGO partnerships in global value chains: part of the solution or part of the problem of sustainable change?. *Current Opinion in Environmental Sustainability*, 12, 35-40.
- Blom, E. M., Burg, E., Verhagen, P., & Hillen, M. (2014). *Tony's Chocolonely: How a social enterprise is changing the chocolate industry*. Verkregen van de Vrije Universiteit van Amsterdam: <https://research.vu.nl/en/publications/1bb7c9dc-5f7d-424a-855b-00897d51aaf6>
- Boström, M., Jönsson, A. M., Lockie, S., Mol, A. P., & Oosterveer, P. (2015). Sustainable and responsible supply chain governance: challenges and opportunities. *Journal of Cleaner Production*, 107, 1-7.
- Bowen, H. R. (2013). *Social responsibilities of the businessman*. University of Iowa Press.
- Brinkerhoff, D. W., & Brinkerhoff, J. M. (2011). Public–private partnerships: Perspectives on purposes, publicness, and good governance. *Public administration and development*, 31(1), 2-14.
- Brinkerhoff, D.W., Indriamihaja, O., Lipsky, A., & Stewart, C. (2017). *The Legal Environment for Family Planning and Reproductive Health in Madagascar*. Washington, DC: Palladium, Health Policy Plus.
- Busse, C., Schleper, M. C., Niu, M., & Wagner, S. M. (2016). Supplier development for sustainability: contextual barriers in global supply chains. *International Journal of Physical Distribution & Logistics Management*, 46(5), 442-468. <https://doi.org/10.1108/IJPDLM-12-2015-0300>

- Business Ethics (2011, October 30). Business and Human Rights: Interview with John Ruggie. Retrieved on August 5, 2020, from <https://business-ethics.com/2011/10/30/8127-un-principles-on-business-and-human-rights-interview-with-john-ruggie/>
- Camarinha-Matos, L. M., Afsarmanesh, H., & Boucher, X. (2010). The Role of Collaborative Networks in Sustainability. *Collaborative Networks for a Sustainable World*, 336. Berlin: Springer.
- Cheung, Y. K. F., & Rowlinson, S. (2011). Supply chain sustainability: a relationship management approach. *International Journal of Managing Projects in Business*, 4(3), 480-497.
- Chi, T. (2011). Building a sustainable supply chain: an analysis of corporate social responsibility (CSR) practices in the Chinese textile and apparel industry. *Journal of the Textile institute*, 102(10), 837-848.
- Christopher, M., Peck, H., & Towill, D. (2006). A taxonomy for selecting global supply chain strategies. *The International Journal of Logistics Management*, 17(2), 277-287.
- Cruz, L. B., & Boehe, D. M. (2008). CSR in the global marketplace: Towards sustainable global value chains. *Management Decision*, 46(8), 1187-1209.
- D'Angremond, P. (2018). Cacaosector, sla de handen ineen en laat boeren een leefbaar inkomen verdienen. Retrieved on March 6, 2020, from <https://www.volkskrant.nl/kijkverder/2018/voedselzaak/ideeen/cacaosector-sla-de-handen-ineen-en-laat-boeren-een-leefbaar-inkomen-verdienen/>
- Deans, H., Ros-Tonen, M. A., & Derkyi, M. (2018). Advanced Value Chain Collaboration in Ghana's Cocoa Sector: An Entry Point for Integrated Landscape Approaches? *Environmental management*, 62(1), 143-156.
- De Janvry, A., Sadoulet, E., & Trachtman, C. (2019). *Achieving Coordination in Agricultural Value Chains: The Role of Lead Agents and Multi-stakeholder Platforms*. Retrieved from the website of Hal Archives: <https://hal.archives-ouvertes.fr/hal-02287771/>
- Dendi, D. (2016). A road map for a sustainable cocoa development in Togo, West Africa. *PeerJ Preprints*, 4, e1812v1. IDECC – Institute for Development Ecology, Conservation and Cooperation NGO. Doi: <https://doi.org/10.7287/peerj.preprints.1812v1>
- Divine Chocolate (2018). Annual Reports: Divine Annual Report 2017 – 2018. Retrieved on September 30, 2020 from <https://www.divinechocolate.com/annual-reports>
- Divine Chocolate (2019, May 30). Divine Chocolate and New Dawn Wine Pairing Guide. Retrieved on September 30, 2020 from <https://www.divinechocolate.com/news/divine-chocolate-and-new-dawn-wine-pairing-guide>
- Divine Chocolate (2020). Our Story. Retrieved on June 12, 2020 from <https://www.divinechocolate.com/divine-story>
- Divine Chocolate (2020a). Divine Chocolate. Retrieved on June 12, 2020 from <https://ukshop.divinechocolate.com/uk/shop/>
- Divine Chocolate (2020b). Divine Difference. Retrieved on June 12, 2020 from <https://www.divinechocolate.com/divine-difference>

- Divine Chocolate (2020c). Bean-to-bar. Retrieved on June 12, 2020 from <https://www.divinechocolate.com/bean-to-bar>
- Divine Chocolate (2020d). Inside Divine. Retrieved on June 12, 2020, from <https://www.divinechocolate.com/inside-divine>
- Divine Chocolate (2020e). Annual Reports: Impact Report 2018-2019. Retrieved on July 7, 2020 from <https://www.divinechocolate.com/annual-reports>
- Drost, S., Van Wijk, J., & Vellema, S. (2010). *Development value chains meet business supply chains: the concept of global value chains unraveled* (No. 2). The Partnerships Resource Centre.
- Enright, S., Oger, C., Michael, P., Jorgensen, P., & Farrag-Thibault, A. (2018). *Private-Sector Collaboration for Sustainable Development*. San Francisco: BSR.
- Fearne, A., Martinez, M. G., & Dent, B. (2012). Dimensions of sustainable value chains: implications for value chain analysis. *Supply Chain Management*, 17(6), 575-581.
- Feller, A., Shunk, D., & Callarman, T. (2006). Value chains versus supply chains. *BP trends*, 1, 1-7.
- Formentini, M., & Taticchi, P. (2016). Corporate sustainability approaches and governance mechanisms in sustainable supply chain management. *Journal of Cleaner Production*, 112, 1920-1933.
- Fountain, A.C. & Hütz-Adams, F. (2018). Cocoa Barometer 2018. Retrieved on 13 March 2020, from <https://www.voicenetwork.eu/cocoa-barometer/>
- Fournier, L. (2015). Social Entrepreneurship: Femininity in Transformational Change. *JWEE*, (1-2), 3-14.
- Gallo, P. J., Antolin-Lopez, R., & Montiel, I. (2018). Associative Sustainable Business Models: Cases in the bean-to-bar chocolate industry. *Journal of cleaner production*, 174, 905-916.
- Gereffi, G., & Lee, J. (2012). Why the world suddenly cares about global supply chains. *Journal of Supply Chain Management*, 48(3), 24-32.
- Gereffi, G., & Lee, J. (2016). Economic and social upgrading in global value chains and industrial clusters: Why governance matters. *Journal of Business Ethics*, 133(1), 25-38.
- Guba, E. G., & Lincoln, Y. S. (1994). *Competing paradigms in qualitative research*. In N. K. Denzin & Y. S. Lincoln (Eds.), *Handbook of qualitative research* (pp. 105-117). Thousand Oaks, CA: Sage.
- Guijt, J., Molenaar, J. W., & Sopov, M. (2020). *The inclusive Trade Scan*. Wageningen: Wageningen Centre for Development Innovation. <https://doi.org/10.18174/516916>
- GVCC (2017). Global Value Chains: Concept & Tools. Retrieved on July 13, 2020 from <https://globalvaluechains.org/concept-tools>
- Hazlewood, P. (2015). *Global Multi-stakeholder Partnerships: Scaling up public-private collective impact for the SDGs (Background Paper 42015)*. Washington, DC: World Resources Institute.
- Hotse Smit, P. (2018). KitKats of Smarties zonder kinderarbeid, armoede en ontbossing zijn nog ver weg. Retrieved on March 6, 2020, from

<https://www.volkskrant.nl/kijkverder/2018/voedselzaak/artikelen/kitkats-of-smarties-zonder-kinderarbeid-armoede-en-ontbossing-zijn-nog-ver-weg/>

- IDH (n.d.). Dutch Initiative on Sustainable Cocoa (DISCO). Retrieved on October 24, 2020, from <https://www.idhsustainabletrade.com/initiative/dutch-initiative-on-sustainable-cocoa-disco/>
- International Trade Centre (2020). SME TRADE ACADEMY. Retrieved on September 3, 2020, from <https://learning.intracen.org/>
- Justdigg.it (2020). Home: Justdigg.it. Retrieved on September 30, 2020 from <https://justdigg.it.org/>
- Kolk, A., & Van Tulder, R. (2010). International business, corporate social responsibility and sustainable development. *International Business Review*, 19(2), 119-125.
- Kroeger, A., Bakhtary, H., Haupt, F., & Streck, C. (2017). *Eliminating deforestation from the cocoa supply chain*. World Bank.
- Lambert, D. M., Emmelhainz, M. A., & Gardner, J. T. (1996). Developing and implementing supply chain partnerships. *The International Journal of Logistics Management*, 7(2), 1-18.
- Lee, K., Szapiro, M., & Mao, Z. (2018). From global value chains (GVC) to innovation systems for local value chains and knowledge creation. *The European Journal of Development Research*, 30(3), 424-441.
- Lenzson, G., Gasparski, W., Rok, B., Lacy, P., Jorgensen, A. L., & Knudsen, J. S. (2006). Sustainable competitiveness in global value chains: how do small Danish firms behave? *Corporate Governance*, 6(4), 449-462. <https://doi.org/10.1108/14720700610689568>
- Lim, H., & Kimura, F. (2010). The internationalization of small and medium enterprises in regional and global value chains (ADB Working Paper No. 231). Available at <https://ssrn.com/abstract=1654304>
- Lindgreen, A., Swaen, V., Maon, F., Andersen, M., & Skjoett-Larsen, T. (2009). Corporate social responsibility in global supply chains. *Supply Chain Management*, 14(2), 75-86. <https://doi.org/10.1108/13598540910941948>
- Maertens, M., Minten, B., & Swinnen, J. (2012). Modern food supply chains and development: Evidence from horticulture export sectors in sub-Saharan Africa. *Development Policy Review*, 30(4), 473-497.
- Mars (n.d.). Today's Commitments to a Sustainable Tomorrow. Retrieved on April 8, 2020. from <https://rus.mars.com/en/sustainability-plan>
- Matissek, R., Reinecke, J., Van Hagen, O., & Manning, S. (2012). Sustainability in the cocoa sector- Review, Challenges and Approaches. *Moderne Ernährung Heute, Official Journal of the Food Chemistry Institute of the Association of the German Confectionery Industry*, 1-27.
- Medda F.R., Caravelli F., Caschili S., & Wilson A. (2017) Collaborative Approach to Trade. In: *Collaborative Approach to Trade. Advances in Spatial Science (The Regional Science Series)* (pp. 127-222). Springer, Cham. https://doi.org/10.1007/978-3-319-47039-9_14

- Melo, V. (2018). *Collaborative Efforts for Sustainable Development: Surveying the Literature on Multi-Stakeholder Initiatives to Realize the Sustainable Development Goals*. The Hague: Task Team: CSO Development Effectiveness and Enabling Environment.
- Mills, J., Harrison, H., Franklin, R., & Birks, M. (2017). Case study research: Foundations and methodological orientations. *Forum Qualitative Sozialforschung/Forum: Qualitative Social Research*, 18(1). <http://dx.doi.org/10.17169/fqs-18.1.2655>
- Mol, A. P. (2015). Transparency and value chain sustainability. *Journal of Cleaner Production*, 107, 154-161.
- Mout, L. (2019). Het geheime ingrediënt actor duurzame cacao. Retrieved on May 30, 2020, from <https://nenmagazine.nen.nl/nenmagazine-2019-2/duurzame-cacao/>
- Myers, A. (2019, July 18). Divine export success for UK ethical chocolatier. Retrieved on June 10, 2020 from <https://www.confectionerynews.com/Article/2019/07/18/Divine-export-success-for-UK-ethical-chocolatier>
- Myers, A. (2020, February 13). Divine Chocolate achieves ‘outstanding’ B Corp rating. Retrieved on June 12, 2020, from <https://www.confectionerynews.com/Article/2020/02/13/Divine-Chocolate-achieves-outstanding-B-Corp-rating>
- Nestlé (2019). Our Progress in tackling child labor. Retrieved on April 8, 2020 from <https://www.nestlecocoaplan.com/tacklingchildlabor>
- Ortjens, J. (2019, May 14). Nederlandse bedrijven moeten kinderarbeid gaan voorkomen, anders riskeren ze voortaan een boete. Retrieved on June 3, 2020, from <https://www.trouw.nl/nieuws/nederlandse-bedrijven-moeten-kinderarbeid-gaan-voorkomen-anders-riskeren-ze-voortaan-een-boete~bc062597/>
- Parikh, T. S., Patel, N., & Schwartzman, Y. (2007). A survey of information systems reaching small producers in global agricultural value chains. In: IEEE, 2007 *International Conference on Information and Communication Technologies and Development* (pp. 1-11).
- Paschall, M., & Seville, D. (2012). *Certified Cocoa: scaling up farmer participation in West Africa*. International Institute for Environment and Development/ Sustainable Food Lab 2012.
- Porter, M. E., & Kramer, M. R. (2011). How to reinvent capitalism: and unleash a wave of innovation and growth. *Harvard Business Review*, 89(1-2), 62-77.
- Puffer, P., & Barbutiu, A. D. (2015). A Comparative Study of CEO Letters in Corporate Social Responsibility Reports of European and Asian Automobile Companies (Master’s thesis). Lund: Lund University: School of Economics and Management.
- Rapley, T. (2004). Chapter 1 (Interviews). In: Seale, C., Gobo, G. Gubrium, J.F. & Silverman, D. (eds.) *Qualitative Research Practice*. London: SAGE Publications Ltd. doi: 10.4135/9781848608191
- Reuter, C., Foerstl, K. A. I., Hartmann, E. V. I., & Blome, C. (2010). Sustainable global supplier management: the role of dynamic capabilities in achieving competitive advantage. *Journal of Supply Chain Management*, 46(2), pp. 45-63.

- Ross, C. (2014). The plantation paradigm: colonial agronomy, African farmers, and the global cocoa boom, 1870s–1940s. *Journal of Global History*, 9(1), 49-71.
- Schmidt, M. D. (2012). Successfully implementing a genuine & strategic approach to CSR: analysis of the Austrian genussmittel industry (Master's thesis). Bergen: NORGES HANDELSHØYSKOLE
- Stake, R. E. (1995). *The Art of Case Study Research*. London: Sage.
- Taglioni, D., & Winkler, D. (2016). *Making global value chains work for development*. The World Bank.
- The Good Trade (n.d.). 10 Fair Trade Chocolate Brands. Retrieved on March 6, 2020, from <https://www.thegoodtrade.com/features/fair-trade-chocolate>
- Theo Chocolate (2020). Theo. Retrieved on April 8, 2020 from <https://theochocolate.com/>
- Thindwa, J. (2001). *Enabling environment for civil society in CDD projects*. Washington, DC: World Bank.
- Thorlakson, T. (2018). A move beyond sustainability certification: The evolution of the chocolate industry's sustainable sourcing practices. *Business Strategy and the Environment*, 27(8), 1653-1665.
- Tony's Chocolonely (n.d.a). Our mission: 100% slave free the norm in chocolate. Retrieved on May 7, 2020 from <https://tonyschocolonely.com/uk/en/our-mission>
- Tony's Chocolonely (n.d.b). Our mission: Tony's impact. Retrieved on May 7, 2020, from <https://tonyschocolonely.com/uk/en/our-mission/tonys-impact>
- Tony's Chocolonely (2019, March 11). Delicate-bars with Tony's Open Chain cocoa in stores. Retrieved on June 3, 2020, from <https://tonyschocolonely.com/nl/en/our-mission/news/delicate-bars-with-tonys-open-chain-cocoa-in-stores>
- Tony's Chocolonely (2020). JaarFAIRslag 2018-2019. Retrieved on July 7, 2020, from <https://tonyschocolonely.com/nl/nl/jaarfairslagen/jaarfairslag-2018-2019>
- Tony's Open Chain (n.d.). Tony's Open Chain. Retrieved on July 7, 2020, from <https://www.tonysopenchain.com/>
- Touboulic, A., Chicksand, D., & Walker, H. (2014). Managing imbalanced supply chain relationships for sustainability: A power perspective. *Decision Sciences*, 45(4), 577-619.
- Van Tulder, R. (2009). *Chains for Change. Max Havelaar Lectures*. Rotterdam: Rotterdam School Of Management: Erasmus University.
- Vermeulen, W. J. (2015). Self-governance for sustainable global supply chains: can it deliver the impacts needed? *Business Strategy and the Environment*, 24(2), 73-85.
- Wijaya, A., Glasbergen, P., Leroy, P., & Darmastuti, A. (2018). Governance challenges of cocoa partnership projects in Indonesia: seeking synergy in multi-stakeholder arrangements for sustainable agriculture. *Environment, Development and Sustainability*, 20(1), 129-153.
- Yin, R. K. (2014). *Case study research: Design and methods*. Los Angeles, CA: Sage.
- Zotter (2020). Das ist Zotter: BIOgrafie. Retrieved on July 7, 2020 from <https://www.zotter.at/en/about-zotter/biography>

Zotter (2020a). About Zotter / Organic + Fair Trade + Green / Fair. Retrieved on May, 3, 2020 from <https://www.zotter.at/en/about-zotter/organic-fair-trade-green/fair>

Zotter (2012). Nachrichten / Ausgabe 6. Retrieved on May 3, 2020 from <https://www.zotter.at/das-ist-zotter/nachrichten>

Zotter (2018). Nachrichten / Ausgabe Mai 2018. Retrieved on May 3, 2020 from <https://www.zotter.at/de/das-ist-zotter/nachrichten.html>

Zotter (n.d.). Nachrichten / Ausgabe 7. Retrieved on May 3, 2020 from <https://www.zotter.at/de/das-ist-zotter/nachrichten.html>