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„In the Light of Neo-Colonialism: The Impact of CSR-Decisions by Western Firms on the Life of West African Cocoa Farmers

A Single Case Study of Tony’s Chocolonely and the Cocoa Trade in Ghana“

verfasst von / submitted by

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Abstract

The thesis „In the Light of Neo-Colonialism: The Impact of CSR-Decisions by Western Firms on the Life of West African Cocoa Farmers. A Single Case Study of Tony's Chocolonely and the Cocoa Trade in Ghana" deals with the implications of Corporate Social Responsibility (CSR) practices employed by Western firms on the cocoa farming communities in Ghana, with a specific focus on the chocolate manufacturer Tony's Chocolonely. Employing the grounded theory approach, twelve transcripts, eleven from interviews and one from the documentary "Golden Seeds" by David Boanuh, have been analysed and contextualised by drawing upon existing literature. Notably significant works thereby are the FAIR report published annually by Tony's Chocolonely and the Cocoa Barometer 2022 by Fountain and Hütz-Adams. The discussion is embedded in the broader discourse on global value networks, corporate social responsibility, and neo-colonialism. The synthesis of the various sources has illuminated that Western companies can both uphold the South-North power imbalance through gate keeping, and mitigate it by empowering farmers through CSR-practices, such as farmer training, community development, and increasing cocoa bean prices. The latter, in particular, has emerged as the most potent means of addressing critical issues such as poverty, child labor, and deforestation prevalent within the cocoa farming communities.

Die Masterarbeit „In the Light of Neo-Colonialism: The Impact of CSR-Decisions by Western Firms on the Life of West African Cocoa Farmers. A Single Case Study of Tony's Chocolonely and the Cocoa Trade in Ghana" befasst sich mit den Auswirkungen der CSR-Praktiken westlicher Unternehmen auf Kakaobäuer:innen in Ghana mit Hilfe der Fallstudie über den Schokoladenhersteller Tony's Chocolonely. Unter Verwendung der Grounded-Theory-Methode werden zwölf Transkripte analysiert. Davon stammen elf aus Interviews und eines aus der Dokumentation "Golden Seeds" von David Boanuh. Sie werden anschließend in den Kontext vorhandener Literatur eingearbeitet. Wichtige Werke sind dabei der jährlich von Tony's Chocolonely veröffentlichte FAIR-Bericht und der Cocoa Barometer 2022 von Fountain und Hütz-Adams. Die Diskussion ist in den Diskurs über globale Wertschöpfungsnetzwerke, unternehmerische soziale Verantwortung (CSR) und Neokolonialismus eingebettet. Die Synthese der verschiedenen Quellen zeigte, dass westliche Unternehmen sowohl das Machtgefälle zwischen Süden und Norden durch „Gatekeeping" aufrechterhalten als auch reduzieren können, indem sie Bäuer:innen durch CSR-Praktiken wie Schulungen, Infrastrukturentwicklung und eine Erhöhung der Kakaopreise stärken. Letzteres ist dabei das wirksamste Instrument zur Verringerung von Armut, Kinderarbeit und Abholzung.

Table of Content

Abbreviations

ABOCFA	ABOCFA Co-operative Cocoa Farmers and Marketing Society Limited Formerly: Aponoapono Biakoye Organic Cocoa Farmers Association
BHR	Business Human Rights
CHED	Cocoa Health and Extension Division
CLMRS	Child Labour Monitoring & Remediation System
CMC	Cocoa Marketing Company
COCOBOD	Ghana Cocoa Board
COCOSHE	Cocoa, Coffee and Shea nut Farmers Association
COFA	Cocoa Organic Farmers Association
CRIG	Cocoa Research Institute of Ghana
CSR	Corporate Social Responsibility
FF	Family Firm
FMO	Farmers' Market Organisation
GAP	Good Agricultural Practises
GAWU	General Agricultural Workers' Union
GVC	Global Value Chain
GVN	Global Value Network
IB	International Business
ICCO	International Cocoa Organization
ICESCR	International Covenant on Economic, Social, and Cultural Rights
ILO	International Labour Organization
ISO	International Standards Organization
JIBS	The Journal of International Business Studies
JWB	Journal of World Business
LBC	Licenced Buying Company
LID	Living Income Differentia
LIRP	Living Income Reference Price
NGO	Non-Governmental Organisation
PBC	Produce Buying Company
PC	Purchasing Clerk
QCD	Quality Control Division
SEW	Socio-Emotional Wealth
SPD	Seed Production Division
WFCL	Worst Forms of Child Labour

List of Figures

List of Tables

Part I. FOUNDATION

“*Who is the most powerful actor?”*

“Powerful… it is the farmer. The farmer, the cooperative, the general assembly, they decide. Because without the farmer, there won´t be Tachpana, Gitard, and Transroyal.” (I8)

I. Introduction

Cocoa’s global value network is one of power imbalances (McWilliam et al. 2020: 12; Whitfield et al. 2020: 197). One can imagine the cocoa sector like an uneven scale on which five million smallholding cocoa farmers are outweigh by a handful of producers and manufacturers situated in the West (Fold/Neilson 2016: 197). Thereby, the latter harbours power over all major decisions in the network. Amongst others, these decisions include production standards, quality of products, and pricing (Fountain/Hütz-Adams 2022: 72; Gilbert 2016: 309; Whitfield et al. 2020: 202).
Besides these cocoa production related decisions, the West also holds power over who sits at the table when cocoa is discussed. Through the strategic choice of location, visa restrictions, and imposed financial constraints, farmers and representatives of farmers cooperatives are excluded from cocoa related conferences. A situation that is also reflected in the make-up of senior level executives in the chocolate and cocoa sector. The World Cocoa Foundation for instance has sixteen board members of which none are Black or West African. (Fountain/Hütz-Adams 2022: 71)
Western cocoa buyers today still owe their relative power to the colonial power and trade structures that were established during colonial rule and then passed down to today’s cocoa value network. Examples thereof would be Ghana’s cash crop and export oriented economy and the influence as well as ongoing interventions by the World Bank and International Monetary Fund. (Fountain/Hütz-Adams 2022: 70)
These power imbalances create a variety of problems for the affected farmers. These range from low profits due to below living income cocoa prices for farmers to other non-fiscal problems such as child labour. (DeLuca-Acconi 2017; Fountain/Hütz-Adams 2022; ICCO 25/04/2018; tonyschocolonely.com n. d. a)

A lot of research and companies CSR-goals have laid their focus on the topic of child labour (Maile 2020: 10), while the root cause – sub-living income prices – has widely been kept quiet about (tonyschocolonely.com n. d. b). However, the exploitation of children in the cocoa sector is an important one because 1.56 million children in West Africa, that's one in two children of cocoa farming families, are subjected to child labour (NORC 2020; tonyschocolonely.com n. d. b: 49).

Since the beginning of the 21st century, some efforts have been made by law makers, NGOs, and companies to reduce child labour cases (DeLuca-Acconi 2017) and some companies were born to make a change. One such company is Tony's Chocolonely who was founded by Teun van de Keuken and Maurice Dekker in 2005 with the goal to create a 100% slave- and child-labour free chocolate (Ghazaleh et al. 2018: 3; tonyschocolonely.com n. d. b: 2).

Being intrigued by Tony's Chocolonely's strong CSR-goals and their collaboration with the Ghanaian farmers cooperative ABOCFA, I found the company to be an interesting case to study, especially since they describe themselves as an "impact" company (private conversation with Tony's employee 12/2021). What in my opinion sets Tony's apart from other companies is that they did not formulate a CSR-strategy once established but were born from a perceivably adequate concept of corporate social responsibility and a lack thereof in the cocoa industry.

Especially in the context of global value chain governance and the international business (IB) domain, CSR and sustainability have become more important in recent years, partly due to consumers' expectations of ethically sourced products (Buckley et al. 2017: 1049). In response to these developments, international business has started to look deeper into strategic responses of multinational companies to consumer demands for more CSR (Buckley et al. 2017: 1051).

I have also been intrigued by the topic and as mentioned above, my interest stemmed predominantly from the awareness creation through Tony's Chocolonely. However, my interests lie less with strategy formulation of the company and more with the impact these strategies of Western firms have on the suppliers and their communities in the Global South. Such research questions have traditional been suppressed in international business by the fields narrow scope of research and lack of interaction with allied social sciences (Buckley et al. 2017: 1048ff). Nevertheless, some IB scholars have been calling for more phenomenon-based, multidisciplinary research, especially when researching grand challenges such as migration or globalisation (Buckley et al. 2017; Doh 2017; Krogh et al. 2012). In regards to the cocoa sector, different reports by Western companies and organisations exist, highlighting the steps Western players should take to be more sustainable (see Fountain/Hütz-Adams 2022; NORC 2020; tonyschocolonely.com n. d. b). However, very few of them make room for the voices of the local farmers. Therefore, my thesis contributes to the existing literature by adding the statements of Ghanaian farmers.

In order to answer my own questions about the effects of CSR-decisions of Western firms on African cocoa farmers within the standing neo-colonial system and resulting power dynamics within supplier-buyer relationships, I have structured my thesis as follows.

I first gave an introduction to phenomenon based research since this approach to real life problems resonated with me and is in line with my access to the topic. I then narrowed my focus to qualitative research and grounded theory before explaining my own research design and reflections. In short, my thesis is largely based on existing literature with a strong focus on Tony's Chocolonely's FAIR report (see tonyschocolonely.com n. d. b) and the Cocoa Barometer (Fountain/Hütz-Adams 2022) in my empirical research. These reports are then discussed in combination with transcripts from eleven interviews Mühlleitner (2020) has conducted with farmers and farmers representatives in Ghana, and the documentary "Golden Seeds" (Boanuh 22/06/2021).

After the discussion on methodology, a chapter on existing concepts, frameworks, and key debates in relation to my topic follows. This chapter includes the global value network approach, an elaboration of corporate social responsibility, and the concept of neo-colonialism that frames the other two theories. Within the chapter, I have tried to relate the three approaches to each other and set a focus on the Global South since – especially in regards to CSR – the concepts are not simply transferable from Western economies, and research in the Global South has been scant (Wettstein et al. 2019: 56).

In the second part of my thesis, my empirical research is conducted. First the case study context is established. I began by describing the Ghanaian cocoa trade in regards to its history, global value network, and price setting mechanism. Then the partners which Western firms work with were introduced with a strong focus on farmers organisations and ABOCFA in particular. Lastly, Tony's Chocolonely was introduced by recounting its developmental milestones, sourcing principals, and avenues of change.

The next chapter then contains the results of my analysis of the transcripts mentioned above. Instead of discussing the transcripts separately from other evaluations of the cocoa industry, I decided to combine my own results with them. This allows to not only see the stark overlap between topics mentioned by the interviewees, Tony's Chocolonely's FAIR report (see tonyschocolonely.com n. d. b), and other reports (Fountain/Hütz-Adams 2022; NORC 2020), but also helps to identify topics either farmers or firms have not mentioned.

Lastly, the conclusion of this thesis summarises the findings and discusses limitations and possibilities for future research.

II. Phenomenon-Based Research

Lately, the increasingly fast changing world of business has witnessed the emergence of various new phenomena. In light of globalisation and technical innovation, phenomena such as diffusing social networks, the firm's impact on our environment, or social entrepreneurship can be observed (Krogh et al. 2012: 278) and researchers have called on academia to adapt a more phenomenon-focused approach for future research (see Buckley et al. 2017; Doh 2017; Krogh et al. 2012). Since my research is based on the phenomenon of CSR in the neo-colonial context, I added this chapter to dive deeper into the definitions, approaches, difficulties, and benefits of phenomenon-based research and frame my own methodology before focusing on the specific methods used in my thesis.

To begin with, the Compact Oxford English Dictionary of Current English broadly defines a phenomenon as *"a particular (kind of) fact, occurrence, or change as perceived through the senses or known intellectually; especially, a fact or occurrence the cause or explanation of which is in question."* (Compact Oxford English Dictionary of Current English cited in Krogh et al. 2012: 280) Even more inclusive, in Auguste Comte's (1855) words, the term phenomenon is used to describe all possible observable objects and facts that should be scientifically explainable.

Krogh et al. (2012: 278) contextualize this broad definition for business research as unexpected regularities that go against the existing knowledge and theory. Moreover, to qualify as a phenomenon, the observed regularity has to be of relevance to academia and society, which is subjective to the onlooker. However, significance can be judged by its generality (being characteristic for a population), the impact it has on the people, groups, and institutions, and its uniqueness[1], and generally grows with the generated interest it creates in academia. (Krogh et al. 2012: 281f) In turn, phenomena can be seen as the roots of academic advancement.

However, since phenomena are not always only new but additionally controversial to the academic canon of the respective field they are ascribed to, they are prone to have multiple, conflicting interpretations. Moreover, depending on the given discipline, observed phenomena vary in degree of generality and complexity. Thereby a span of complexity can be described reaching from simple physical observations with valid mathematical formulas as explanations, such as objects falling down due to gravity, to complex, dynamic, and less general social

[1] Uniqueness refers to "*challenging prevailing knowledge regarding the possible states of the world*" (Krogh et al. 2012: 282). Authors often refer to phenomena with high impact, retrospective predictability and explainability, that are rare as "talking pigs" or "Black Swans". (Krogh et al. 2012: 282)

mechanisms. (Krogh et al. 2012: 280) Taking management and organisation science as an example, phenomena in this field are multi-causal, chaotic, and can be described as idiosyncratic. This is because they are partially explainable by natural causes and on the other hand are strongly dependent on the behaviour of not only individuals but also organisations, the surrounding industry, and society at large. Individual behaviour in turn includes personal intentions and beliefs, intuitions, and interactions which further depend, on the function, shape, culture, and processes of the organisations they act within. Accordingly, it is important not to look at the phenomenon from a reductionist point of view since the individual elements influence each other and the system as a whole. (Krogh et al. 2012: 280) To me, such an inclusive view is easier to approach when a phenomenon is seen as a puzzle piece as part of a bigger picture – a grand challenge. Buckley et al. (2017: 1046) cites the definition of such a grand challenge as

> "ambitious but achievable objectives that harness science, technology, and innovation to solve important national or global problems and that have the potential to capture the public's imagination."
>
> (US Office of Science and Technology Policy 2014 cited in Buckley et al. 2017: 1046)

Grand challenges not only include IB-specific problems such as anti-globalisation attitude and the resulting strategies of multi-national businesses but also broader topics like migration, healthcare and infectious diseases, literacy, child labour, or climate change. The latter category is not only important for the international business realm but for societies within various national and socio-economic borders. Despite the complexity of grand challenges, their multi-nationality and IB's strong focus on context gives international business a strong base to answer underlying research questions (Buckley et al. 2017: 1052). However, it would require that IB opens up to other disciplines and multilevel methods (Buckley et al. 2017: 1047), and shifts away from 'finding the research gap' towards a more phenomenon-first research approach (Buckley et al. 2017: 1053).

Phenomenon-based research is designed to not only distinguish and explore a phenomenon by looking at complex, conflicting, and ambivalent data (Krogh et al. 2012: 281) but to capture, conceptualise, describe and document it in detail. The goal to create a basis for subsequent design, theorisation, and synthesisation (Krogh et al. 2012: 278). This kind of research allows for rich detailing of a phenomenon for which no or not enough theory exists. In the words of Doh (2017: 14) "[…] *phenomenon-based research is any research that takes as a principal focus the ability to accurately and insightfully inform a real-world phenomenon or phenomena.*"

However, phenomenon based research is not a novel approach in the world of academia. It has been used in other academic fields like sociology, history, and ethnology (Dannecker/Englert 2014: 9) since new phenomena constantly arise in social sciences (Krogh et al. 2012: 279).

The main goal of phenomenon-based research is to build a basis for theory development and new research designs through the description, documentation, and capturing of a phenomenon (Krogh et al. 2012: 278). To do so, the phenomenon is systematically interpreted and contextualized in order to find generalizable data and to be able to connect the phenomenon to its societal and social relevance.

Traditional IB-research tries to prove hypotheses and test theories based on existing theories (Dannecker/Englert 2014: 10; Krogh et al. 2012: 279), which could according to Krogh et al. (2012: 278) lead to researchers overlooking details and phenomena for which no existing theory fits. Moreover, when leaning heavily on existing theory, it is likely that the research will enhance the already established theory instead of the understanding of the given phenomenon (Krogh et al. 2012: 281). Often the outcome of phenomenon-based research is far from a new, formal theory but rather the precondition for their establishment (Krogh et al. 2012: 281).

However, preferences towards theory testing and development in publication policies have created an additional discouragement for researchers to focus on early-phase, phenomenon-informed topics (Krogh et al. 2012: 279).

Nevertheless, scholars (Buckley et al. 2017: 1053; Doh 2017: 14; Krogh et al. 2012: 278) believe that moving away from theory and research gap-based research and towards grand challenges as well as real-world, observed phenomenon based research would enhance both scholarly research as well as business practices, public policy, and, in particular, corporate strategy.

Doh (citated in Buckley et al. 2017: 1053) hence calls for a “phenomenon first” approach in IB research in which the focus is first laid on the phenomenon, and theory and method are chosen second to best fit the phenomenon. Krogh et al. (2012: 279) further believe that there is not a singular superior methodology or research design to explore the various aspects of a phenomenon. Buckley et al. (2017: 1052) adds that phenomenological grand challenges might not only need a multiple method approach but also incorporate and integrate various theories, disciplines, and perspectives.

Despite the agreement that qualitative methods are best to capture new phenomena, phenomenon-based research does not exclude systematic approaches as a whole (Krogh et al. 2012: 278). Rather, phenomenon-based research could be seen as a systematic progression through three distinct phases: the embryonic, the growth, and the mature phase, which involves different methodological needs in each phase and five research activities, ranging from distinguishing a phenomenon to the synthetisation of different works. The phases thereby build on each other since early exploration provides data and research strategies for the ensuing work and the phases are sequential in time. The progress of exploratory work is often time consuming before first theories can be constructed. (Krogh et al. 2012: 279) Moreover, the phases are a social framework meaning that the classification of a phenomenon into one of the phases is subjective. Therefore, while some scientists would consider a phenomenon as in the embryonic stage, while others might perceive it as growing or mature. (Krogh et al. 2012: 284)

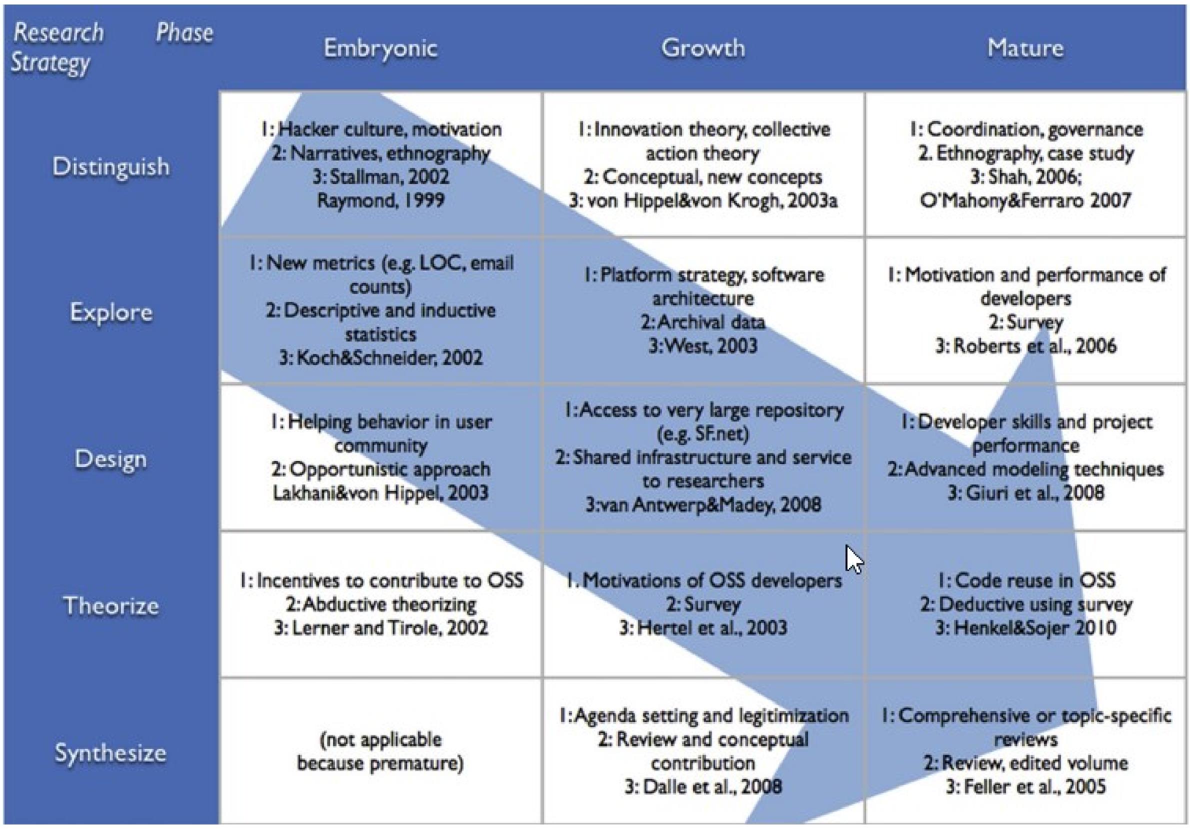
Regarding the three phases a phenomenon goes through when being researched, the embryonic phase describes the beginning stage into its research by distinguishing a phenomenon from other known phenomena. It starts when new technology, processes, or behaviour of people or groups emerge that could become important to the management community if they continue to be displayed. In regards to the significance of the phenomenon, in the embryonic stage, a phenomenon can be considered as potentially significant with a small group of researchers interested in it who are willing to invest time, experience, and knowledge into the topic. Since those investments are often uncoordinated, they often end up in duplicate works. However, one of the most crucial elements of this early phase in phenomenon-based research is to find common language and terminology to describe the phenomenon. This is of importance since it not only is a basis for construct development but also helps to form an identity within the members of the scientific community concerned with the phenomenon. (Krogh et al. 2012: 282)

The phenomenon then transitions into the growth phase through growing interest of the scientific community, which in turn leads to increased visibility in academia and solidification of the phenomenon by decreasing uncertainties. (Krogh et al. 2012: 282) On the other hand, the complexity increases since more facts and their interconnections are detected. (Krogh et al. 2012: 283)

From the growth phase, the phenomenon upgrades into the mature phase by consistent research that show a predictability of regularities uncovered in the growth phase turning them into unmistakable categories of characteristics for the given phenomenon. The longer the phenomenon is researched, the more it fuses with known phenomena, methodologies, and disciplinary knowledge. In this stage, some phenomena also disappear from the forefront of academia due to either decreased significance, or due to their integration into normal functions of organisations. (Krogh et al. 2012: 283)

While the three phases of phenomenon-based research follow each other sequentially in time, the five research activities are used across all three phases to enhance the understanding of the phenomenon and find new research objectives. (Krogh et al. 2012: 284)

In the following figure the phases and activities of phenomenon-based research are depicted. Moreover, Krogh et al. (2012: 285) show possible topics, research designs, and exemplary contributions for each activity in each phase. As examples, they use a study about the development of open source software. (Krogh et al. 2012: 285)



Research Strategy / Phase	Embryonic	Growth	Mature
Distinguish	1: Hacker culture, motivation 2: Narratives, ethnography 3: Stallman, 2002 Raymond, 1999	1: Innovation theory, collective action theory 2: Conceptual, new concepts 3: von Hippel&von Krogh, 2003a	1: Coordination, governance 2. Ethnography, case study 3: Shah, 2006; O'Mahony&Ferraro 2007
Explore	1: New metrics (e.g. LOC, email counts) 2: Descriptive and inductive statistics 3: Koch&Schneider, 2002	1: Platform strategy, software architecture 2: Archival data 3: West, 2003	1: Motivation and performance of developers 2: Survey 3: Roberts et al., 2006
Design	1: Helping behavior in user community 2: Opportunistic approach Lakhani&von Hippel, 2003	1: Access to very large repository (e.g. SF.net) 2: Shared infrastructure and service to researchers 3: van Antwerp&Madey, 2008	1: Developer skills and project performance 2: Advanced modeling techniques 3: Giuri et al., 2008
Theorize	1: Incentives to contribute to OSS 2: Abductive theorizing 3: Lerner and Tirole, 2002	1. Motivations of OSS developers 2: Survey 3: Hertel et al., 2003	1: Code reuse in OSS 2: Deductive using survey 3: Henkel&Sojer 2010
Synthesize	(not applicable because premature)	1: Agenda setting and legitimization 2: Review and conceptual contribution 3: Dalle et al., 2008	1: Comprehensive or topic-specific reviews 2: Review, edited volume 3: Feller et al., 2005

Fig. 1: Overview of phenomenon-based research activities and phases: exemplary contributions (Krogh et al. 2012: 285)

The first activity usually involves distinguishing the phenomenon from other occurrences and establishing an identity for it, often by identifying what it is not and creating concepts surrounding the phenomenon in order to ease the data selection and description of the phenomenon. Over time and with increased research interest, new metrics, reference frames, survey options, and observations are established and narrow the definition of the phenomenon in question. (Krogh et al. 2012: 286)

Once this narrowing of the definition has taken place, the exploration of the phenomenon can commence. This activity is characterized by data-gathering in- and outside of phenomenon-related concepts to both inform the subject and show its limits. Thereby, data can be generated from primary sources (such as interviews or participant observation) or retrieved from secondary sources (e.g. news reports, online sources, documentaries). While freely gathering data, the phenomenon surrounding concepts are used to filter the gathered input by considering whether the given concept allows new insight into the phenomenon and if the concepts could be broadened to include new data or replaced altogether in order to reflect both qualitative and quantitative data. (Krogh et al. 2012: 287f)

The end results of distinguishing and exploring the phenomenon and its related data should be information, interpretations, and new concepts. These insights then lead to methodological questions for the further research of the phenomenon as the need for new research designs occurs. While traditionally the formulation of a research design follows theorizing, in phenomenon-based research researchers can also decide to simply report on the phenomenon. Especially longitudinal data gathering can be beneficial to show how a phenomenon changes over time. On the other hand, the opportunistic nature of phenomenon-based research allows to obtain unprecedented insight into time sensitive data and dynamics that would otherwise be lost due to the development of the phenomenon. Therefore, opportunistic research is relevant since it can inform, accompany, reviews, and evaluates research design development. However, it can also limit the collected data in both depth and scope as well as the filter capacity of the concepts for further data gathering. (Krogh et al. 2012: 288)

The longer researchers work within and around the phenomenon in question, the better they can recognise theory overlaps and deviations and theorising of the phenomenon can commence. This is done through the following possibilities:

> “1) referring to extant theories, even to highlight what the phenomenon is not;
> 2) adapting, modifying, or combining extant theories;
> 3) inductively generating new concepts and theories.“
>
> (Krogh et al. 2012: 289)

Thereby, inductive theorising is commonly found in the first two phases (embryonic and growth) of phenomenon-based research. Besides inductive theorising, deductive theory development is considered valuable and the use of either depends on the aim and needs of the researcher and the phase they are in. It is important however, that the newly proposed theories are not able to be used as a basis for generalisations due to the surrounding social dynamics. Phenomenon-based research rather fosters design-theory interaction since both phenomena and theories change and evolve over time, the research design should too. Therefore, design and theorising are reoccurring processes with accompanying instances of opportunistic research. (Krogh et al. 2012: 289)

The fifth activity involved in the phenomenon-based research process starts once the research has attracted a significant amount of interest since in order to synthesise knowledge, a body of academic research output has to be available. Synthesis not only decreases the risk of fragmented, slow research but also the personal risk researchers take when looking into new phenomena. It further helps to make decisions on further research directions by showing the level of integration into the academic canon of the field as well as the contributions new theorising and research designs have made. In doing so, staying neutral in design and theory is crucial because a synthesis of knowledge is picture of the phenomenon as a whole and not its different units. (Krogh et al. 2012: 290)

The following table by Krogh et al. (2012: 290) sums up the different activities and the main research goals.

Research activities	Research goals
Distinguish	• Bracket peculiarities encountered against existing body of knowledge • Describe context in broad cultural terms • Identify inadequacy of given body of theory and knowledge in the field • Identify relevant concepts for study
Explore	• Intensify data gathering inside and outside the focal concepts • Generate more solid concepts that can serve as filter for further data gathering • Concepts serve to distinguish relevant from irrelevant data to describe the • Phenomenon
Design	• Experiment with alternative research designs • Employ opportunistic research designs that expand or collapse concepts to take into account the dynamics of the phenomenon
Theorize	• Distinguishing the phenomenon from existing theories • Expand, adapt, modify existing theory • Generate new theory inductively • Iterate with new research designs to build theory
Synthesize	• Review existing studies and research designs • Assess whether more research on the phenomenon is warranted and making significant or marginal contribution • Establish overview of phenomenon by remaining design- and theory-neutral • Begin to generalize to management and organization theory

Table 1: Phenomenon-based research activities and main goals (Krogh et al. 2012: 290)

In conclusion, phenomenon-based research leads to insight into new phenomena by going through the three research stages described above and making use of five different research activities. Thereby, research design and the theory interact, influence, and develop each other. Moreover, there is not one specific research method ascribed to phenomenon-based research but rather the phenomenon is best informed by a multimethod approach that leans more towards qualitative research methods, which I will explain further in the following chapter.

III. Methodology

The methodology chapter can be split into three parts: theoretical approach, the structure of my own research, and self-reflection.
Firstly, I will work through the two approaches that are relevant to my thesis with a focus on their relevance as well as their limitations. Specifically, the methods include a broad basis qualitative research, which I try to connect to phenomenon-based research for the purpose of this thesis, and grounded theory as the distinct method of analysis for my sources.
Secondly, I introduce my own research approach, the sources I have used, and how the data was collected and analysed. Since most of my paper consists of a literary review and a discussion thereof, my focus will lie on my decisions regarding literature selection and the value it will bring.
Lastly, in the subchapter "Reflections" I aim to share my own experience with the research process. This includes difficulties I encountered with my research, inner conflict, a reflection of myself as the subjective researcher, reader, and writer of this thesis, and a general recount of my process.

a. Qualitative Research

As an important pillar of phenomenon-based research, qualitative research has a long standing history in social sciences and academic disciplines such as, amongst others, sociology, history, and ethnology (Dannecker/Englert 2014: 9) since new phenomena constantly arise in social contexts (Krogh et al. 2012: 279).
Despite its frequent use, qualitative research is not easily defined since it is used across disciplines and entails a variety of concepts, perspectives, methods, and ideas. Examples for qualitative approaches would be grounded theory, qualitative content analysis, or participant observation (Dannecker/Englert 2014: 7). Out of those, grounded theory is the method I chose for my own research and is discussed in more detail in the next subchapter.
The main goal of qualitative research is to understand rather than prove the cause and effect of social, political, societal or gender phenomena or structures within a given context (Dannecker/Englert 2014: 9), much like phenomenon-based research, which, as expatiated on above, tries to extensively document a phenomenon before developing new research designs and theories (Krogh et al. 2012: 278).

In contrast to quantitative research, qualitative research approaches aim to find new theories on the basis of a phenomenon rather than trying to prove hypotheses and test theories based on existing theories (Dannecker/Englert 2014: 10; Krogh et al. 2012: 279), which could according to Krogh et al. (2012: 278) lead to researchers overlooking details and phenomena for which no existing theory fits. Moreover, when leaning heavily on existing theory, it is likely that the research will enhance the already established theory instead of the understanding of the given phenomenon (Krogh et al. 2012: 281). Therefore, interpretations and the generation of hypotheses are at the centre of qualitative research (Dannecker/Englert 2014: 10).

To create new theories and understanding, researchers are in constant dialogue with their data and change the course of their research in accordance with the findings in the data. Hence, a certain openness with planning, topic, and timeframe are essential. This does not mean that the researcher is aimless but rather open to changes in their research plans. (Dannecker/Englert 2014: 10) Krogh et al. (2012: 278) add that especially open-ended and broad research questions are important.

With respect to business research, Doh (2017: 14) claims that in accordance with quantitative research, a strict focus has been laid on key management theories, which are not only ethically problematic but also – as discussed in the subchapter on CSR – not always applicable in every context (see also Dannecker/Englert 2014: 14). This has led to researchers being partially blinded to critical issues in the world of managers that could be better understood and paid attention to through qualitative research (Doh 2017: 14).

Dannecker and Englert's (2014: 11) believe the method choice in qualitative research is to be of highest priority, so that the method is chosen to fit both the phenomenon itself as well as the research interests of the researcher (see also Doh citated in Buckley et al. 2017: 1053). They (Dannecker/Englert 2014: 11) add that in some instances a multiple-method approach can be best to inform a certain phenomenon. This approach further allows for triangulation and therefore increases the quality of the research.

In conclusion, in qualitative research, design and theory interact, influence, and develop each other. In the following subchapter I would like to describe and discuss the methodological approach of grounded theory before focusing on my own research design, my data collection, data analysis, and reflections.

b. Grounded Theory

Grounded Theory is a qualitative research method that has steadily gained academic popularity in social studies (see Schultz 2014) since its development by the sociologists Glaser and Strauss in the 1960s (O'Reilly et al. 2012: 248). Their aim was to counter an increasingly grand theory-based approach in sociology and to return researchers to the field for work relevant to real people and everyday situations (O'Reilly et al. 2012: 248) – much like Doh's (2017) appeal for more real-life focused research in IB.

Despite its 50 year existence, the understanding of grounded theory and its methodological execution vary greatly from one work to another, making it harder to grasp the concept (O'Reilly et al. 2012: 249). As an umbrella term, Schultz (2014: 76) for example understands grounded theory as „*a roof that holds space for various variations, focal points, and directions to think about data.*" To this rather broad definition Schultz (2014: 76) adds that grounded theory and the corresponding research questions are guided by a phenomenon[2] putting it in line with phenomenon-based research, and therefore making grounded theory well suited for a phenomenon-driven thesis. This is especially the case thanks to its context-, process-, and intention-focus (O'Reilly et al. 2012: 249).

The goal of grounded theory is to develop new social theories from data (O'Reilly et al. 2012: 248) by gathering and analysing data until additional input would bring no or barely any new insight since the new data only confirms constructs and theories already formed through previous data and hence, theoretical saturation has occurred (Krogh et al. 2012: 287). Grounded theory is both action- and process-oriented, and systematically describes a phenomenon in detail (O'Reilly et al. 2012: 248). Being process-oriented is further captured in the idea that theories, research questions, and discourses can only come together as a whole through the research process (Schultz 2014: 77). Its strength, however, lies in the flexibility and non-linearity of its tools for theory development, which are manifested in its five general principles: *"(a) the constant comparative method[3], (b) theoretical coding[4], (c) theoretical sampling, (d) theoretical saturation, and (e) theoretical sensitivity"* (O'Reilly et al. 2012: 249).

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[2] Often, said phenomenon, especially within a culturally foreign setting, stems from a fascination with the unfamiliar or unknown (Schultz 2014: 76).

[3] = simultaneous coding and analysis of data and constant comparison of new and earlier data, while adjusting theoretical categories to bring out theoretical underpinnings (O'Reilly et al. 2012: 249)

[4] = systematic understanding data by splitting up and categorizing similar examples from the data into as many subcategories as possible until their consistencies can be identified (O'Reilly et al. 2012: 251).

One of the downsides of grounded theory is its data focus, meaning that issues not mentioned directly in the data are – with a strict grounded theory approach – ignored. These aspects are mostly concerned with social issues such as race, class, gender, and (dis)ability. (Offenberger 2019: 5) Clarke recognised the exclusionary nature of grounded theory and extended the methodology to what is known as "situation analysis". Situation analysis focuses on the research of social equality and is better equipped to study power imbalances. This is done by adding the extra category "positions not taken in the data" to the grounded theory analysis and thereby giving space and focus to implicit actors and unspoken topics (e.g. cultural taboos). This is important since the power of telling one's story is unequally split in society and researchers hence should not enter the process of analysis assuming inequalities are not present if they have not been explicitly mentioned. (Offenberger 2019: 8ff)
This is important for my own thesis since issues of racial and economic inequality might not be mentioned by interview partners. However, they should be assumed based on the power inequalities present in GVNs (see chapter IV.a. and IV.c.).

c. Research Design

Now that I have introduced qualitative research as an important part of phenomenon-based research, and discussed grounded theory as my method of choice, this subchapter focuses on how these approaches relate to my own research, the steps I have taken, and the resources I have used.
Since my thesis is phenomenon-based, I started my research from a point of interest in neo-colonial power structures in international business and the effects corporate social responsibility decisions of Western firms have on the local communities in the Global South. I identified neo-colonialism in global value networks as the grand challenge. My phenomenon on the other hand can be described as the effects of Western firms making CSR-decisions about matters pertaining to local communities in the Global South, or in short, the effects of cross-cultural CSR decision making on the Global South. I was especially interested in the cocoa trade due to the strong association I have between cocoa and colonialism, and was intrigued by Tony's Chocolonely's outspokenness against child labour and slavery. By looking through their website (see tonyschocolonely.com n. d. a), it became clear to me that CSR is an important pillar of the company. However, I was less interested in Tony's CSR decision-making process but rather wanted to know how their Ghanian cocoa suppliers are affected by working with Tony's Chocolonely and under their CSR constraints.

Hence, I pose the following research questions that I want to explore through the case of Tony's Chocolonely, ABOCFA (Aponoapono Biakoye Organic Cocoa Farmers Association; their partnering farmers organisation in Ghana), and the cocoa trade in Ghana:

- How do CSR-decisions of Western firms affect the lives of African cocoa farmers?
- How does the standing neo-colonial system uphold power dynamics within supplier-buyer relationships and resulting labour conditions?

The former is more phenomenon-specific while the latter hints more strongly at the grand challenge it is concerned with.

To answer these research questions, I strongly lean on existing literature and the analysis thereof as well as transcripts of 1) the documentary "Golden Seeds" by David Boanuh (22/06/2021) and 2) interviews with Ghanian actors in the cocoa trade, conducted May and July 2019 by Judith Mühlleitner for her own master thesis (see Mühlleitner 2020). A list of all interview partners can be found below in addition to their occupations as well as the organisation they belong to and the date of the interview in the case of the thesis interviews.

Name	**Position**
Mariwa Osman Abu	Farmer & former cocoa researcher
David Boanuh	Director & cinematographer
Tony Anderson	Creative director
Eric Boama	Photographer & producer
Sarah Larweh	Farmer
Edward Yirenkyi	ABOCFA president & farmer
Narh John	Farmer
Stephen Odae	Farmer
Gifty Narkie	Farmer
Rexford Obeng	Chocolatier & researcher
Bismark Amoanih	Farmer

Table 2: List of interview partners in the documentary (author, based on 22/06/2021)

#	**Interviewee**	**Organisation**	**Position**	**Date**
I1	Anonymous	GAWU[5] local union in Neribihi	Chairman & farmer	16.06.2019
I2	Anonymous	Elikem Welfare Association	Manager & farmer	09.05.2019

[5] = General Agricultural Workers' Union

I3	Anonymous	GAWU General Agricultural Workers' Union	General Deputy	17.05.2019
I4	Anonymous	GAWU local union in Neribihi	Vice Chairman & farmer	16.06.2019
I5	Anonymous	GAWU local union in Neribihi	Member & farmer	16.06.2019
I6	Anonymous	GAWU local union in Neribihi	Two members & farmers	17.06.2019
I7	Anonymous	Cocoa Organic Farmers Association (KOFA)	Anonymous & farmer	17.07.2019
I8	Anonymous	5 Flavour Cooperative, Offinso	President & farmer; manager & farmer	19.07.2019
I9	Anonymous	Assiman cocoa farmers and marketing union	Local leaders of cooperatives & farmers	23.07.2019
I10	Anonymous	Assin Kushea cocoa farmers society union	Manager, CHED-Employee & farmer	23.07.2019
I11	Anonymous	COCOBOD	Research Manager	06.06.2019

Table 3: List of interviews (author)

In the thesis, contributions by participants of the documentary are referenced by their last name and the time stamp of the transcript since I believe all of them agreed to have their statements made public through the documentation.

The information from the interview transcripts on the other hand are indicated by the interview number only since the names of the farmer and in one instance their occupation are kept anonymous in accordance with the agreement Mühlleitner (2020) had with the interview partners.

The audio of the documentary "Golden Seeds" by David Boanuh, in which the producers interviewed Ghanian cocoa farmers about their experience in the cocoa production and trade, was first transcribed by using YouTube's subtitle function and then extending and correcting the created transcript.

I then analysed the content of all transcripts, including the interviews, using grounded theory as described above and coded the transcript to identify topics important to the farmers, information about the cocoa trade in Ghana, farmers cooperations, and Ghana's infrastructure. To do so, I went through the transcripts line by line to identify topics of interest, which I then colour coded in order to easily mark equal categories in the various scripts. A new category was added whenever a new topic was found. I then proceeded by bringing together the different interviews' codes into one compiling document, forming additional subcategories, while comparing the data, and showing consistencies within them. Those subcategories were then cycled through over and over again to group them together into the final codes. Some quotes were not strictly matching a singular category. Hence, they were put under all the categories they fit. I used the coding categories to search for corroborating scientific literature if available and to categorize the content of both the Cacao Barometer (Fountain/Hütz-Adams 2022) and the Annual Fair Report of Tony's Chocolonely (tonyschocolonely.com n. d. b). This made it easier to compile and discuss my findings in a single chapter (see VI. "CSR-Needs of and Effects on Local Farmers"). Lastly, I added the category "Positions not taken" in which I discuss issues that arose from secondary literature and the Annual Fair Report (tonyschocolonely.com n. d. b) but were not mentioned by the interviewed farmers.

#	Quote	Paraphrase	General Content	Codes
I2	And the farmer don´t have access directly to the buyer who can have a long-term contract with the buyer from Europe, America or some-where. That direct contract with the farmer is not there, that direct contact is not, it is broken, it is blocked. So, the farmers don´t even know where their cocoa beans is going, who is using it. It is not traceable. But Ghanaian farmers lack this opportunity and therefor they solely have to rely on their own strength to produce, because there is no direct link with a buyer outside.	Farmers do not have direct contact with the Western buyers. Hence, they do not know where their beans are going and to whom they are sold. It also cuts them off from support opportunities that they could get from the Western firms.	The relationship between cocoa farmers and the chocolate producers in the West; the traceability of cocoa	Challenges; Traceability;
I3	So it is not when you bring support to cocoa farmers that it must lead to productivity at all times. We must balance this. So, when you give support for productivity, which is ok, let´s also give support for empowerment, let´s give support to their cooperative, let´s empower, let´s develop more material for cooperative training, let cooperatives understand! There is a cocoa farmer who has not tasted chocolate.	When supporting cocoa farmers, the focus should not solely lay on the increase of productivity but rather include community development, facilitating trainings for cooperatives and farmers, and the empowerment of local actors.	The needs of farming communities beyond productivity	CSR-Needs

Table 4: Example for data coding (author)

As for the rest of the thesis, in part I, I conduct the literature review of phenomenon-based research, discuss my methodological approach, and give an extensive introduction to existing concepts, frameworks, and key debates, such as the global value network, corporate social responsibility, and neo-colonialism, which I make an effort to connect to one another.

Part II, my empirical research is, besides by literature inputs and the above described primary data, supported by my extraction and interpretation of online data provided by the case study company using data provided by Tony's Chocolonely themselves (see tonyschocolonely.com

n. d. a; tonyschocolonely.com n. d. b; tonysopenchain.com n. d.), a teaching case (see Ghazaleh et al. 2018), newspaper articles (see Grocer 2020; Harvey 2020; Harvey 2021), and the Cocoa Barometer (Fountain/Hütz-Adams 2022).

The partner farmers organisation ABOCFA is also explored through their website (see abocfa.com n.d.) and supported by literature on farmers' market organisations as well as the interviews.

All websites and especially the Cocoa Barometer (Fountain/Hütz-Adams 2022) as well as the Annual Fair Report (tonyschocolonely.com n. d. b) were also worked through using Grounded Theory. Thereby, I have used the coding categories established during the analysis of the interviews as a guide to make my data collection more targeted. I also used the data to inform the category "positions not taken" in the interviews.

While this subchapter is aimed at exploring the methodological approach to my research, the next one will give a bit more insight into my personal stance and areas of personal conflict as well as importance.

d. Reflections

With this subchapter, I would like to give readers the opportunity to better understand my personal standpoint within my research. It should serve the purpose of giving additional information about myself and my work that do not fit the previous subchapters. However, I believe this to be an integral part of my work in order for it to be transparent and traceable. Empirical reflection as an integral part and strength of qualitative research hence serves the purpose to not only make the researcher visible and part of the process but also situate them in the field, context, and method of their research (Burawoy 2009; Dannecker/Englert 2014: 12; Offenberger 2019: 1). It is especially important to me to reflect on who I am as a researcher, student, and person since research is never truly impartial and all that I am influences my interpretation of the resources I have used, and even those I chose not to use (see Dannecker/Englert 2014; Lokot 2022; Offenberger 2019).

Moreover, during my research I encountered a few obstacles that influenced the direction of my research, including prerequisites for field studies, contact with the firm, and finding the right terminology. Discussing them could not only make my research process more comprehensive and my decisions could be understood better, but it might also benefit other young researchers and show room for potential future research by posing questions I did have but ultimately did not answer in this thesis.

The first aspect I would like to discuss is one of race, gender, and identity, since Mizock et al. (2011: 13) found that the race of the researcher is an important variable within multicultural research and feminist researchers have long called for a stronger focus on a researcher's positionality. "Positionality" refers to the researcher's position within existing power structures and hierarchies taking into account both their identity and affiliations. Positions can thereby be "*multiply constructed across different, often intersecting and antagonistic, discourses, practices and positions*." (Hall 1996 quoted in Lokot 2022: 2)

I believe the starting point should be to acknowledge that in unfamiliar research contexts that span across cultural, racial, political, or gender boundaries, researchers are met with various challenges including ethnic, social, and academic ones. Dannecker and Englert (2014: 9) refer to such contexts as "fremdkulturell"[6], meaning that they are perceived as "foreign" by the researcher and require an additional process of understanding the unknown since the researcher's relevance system has been challenged. (Dannecker/Englert 2014: 9)

However, that exact aspect of studying "the foreign" in qualitative research has been criticised as standing for the (re-)production of colonial knowledge and power through the perceivably objective exotisation of "the Other". This is especially the case in light of the century long gate keeping of knowledge production by the West[7] that academia has experienced (Dannecker/Englert 2014: 12), including the prevailing analysis of race and ethnicity under the "white gaze" and disregarding how whiteness offers privileges to white researchers. (Lokot 2022: 3)

Therefore, in my research I have tried to be conscious about who's voices I reproduce, which terms I use to refer to people and phenomena unfamiliar to myself, and to stay aware of my own whiteness and subjectivity, especially since being subjective can potentially increase the quality of research and the understanding of complex underlying information (see Lokot 2022: 4)

I found this to be especially challenging in the field of business studies, since I was met with an Eurocentric view on almost all subjects in a white-dominated field and an assumption of objectivity and neutrality of researchers. This has been in stark contrast to my previous research experiences in the field of African studies. In African studies, engaging[8], qualitative and

[6] = culturally foreign

[7] The West refers to economically and historically dominant countries in Western Europe and North America, which are on the stronger end of the (neo-)colonial power imbalance (see more below).

[8] „Engaging" refers to the interaction between researcher and their subject, the closeness it creates between them and how this closeness is made visible in the research product as an integral part thereof. (Offenberger 2019: 2)

collaborative approaches to research are used in order to empower participants in a multicultural field (see also Mizock et al. 2011: 2), and an ongoing re-evaluation and discussion on the role of the researcher are omnipresent in both teaching and research. I believe my split background and therefore multiple identities are an example of how multiple identities affect research both in the choice and analysis of data as discussed by Lokot (2022: 2) since I repeatedly observe myself choosing work of African researchers even if they are not published in (by the Western academics) favoured journals. This is because I prefer to reproduce voices living in and among the people and (social) structures I research and my awareness of white researchers' privileges to access these journals as a means of publication. I would situate the disparity in publication access in what Lokot (2022: 3) describes as academia being an institution of "*gendered, racial and colonial power hierarchies, which has implications for who is granted power and who is not*." However, it is necessary to also acknowledge the fluidity and intersectionality of power with respect to the researcher and the researched. (Lokot 2022: 4)

In my case, as a white, female student affiliated with an internationally reputable university I do see my power in the access I have to free information and research resources through the university's library. Despite this access to the academic background of my research subject, I have encountered obstacles during my research process, which ultimately changed both my approach as well as the focal point of my thesis. What first began with an interest in the effects cooperations between Western firms and Ghanaian farmers have on the farmers and their lives, was met with difficulties accessing Ghanian voices. This was a result of my lack of knowledge in any of Ghana's languages[9] as well as financial and time constrictions, which did not allow me to do any field research personally in Ghana to get an accurate picture of the farmers' viewpoint. Additionally, not being part of the corporate world nor ranking high within the academic hierarchical system, keeping in touch with Tony's Chocolonely has proven difficult despite initial contact and the approvement of further meetings.

Hence, I began researching Tony's Chocolonely, the Ghanaian cocoa trade, and the underlying theories with a strong focus on existing literature. By doing so, I realised that for myself, I was venturing farther and farther away from my own research interest and the demands I have made to myself. These included the desire to focus on marginalized voices and focus on stories of people who usually do not get to tell them. In this case, this would require to stay focused on the African voices in the discourse on south-north partnerships and dependencies. Especially after I came across Buckley et al.'s (2017) as well as Doh's (2017) call for more phenomenon-

[9] I purposefully exclude English as a Western-imposed language since it might not be accessible nor favoured by possible research partners in Ghana.

based, trans-disciplinary research in international business, which resonated with me, I decided to try and reach out to Judith Mühlleitner to obtain access to her interviews, which was thankfully granted. Although I am aware that further field work will be necessary to fully answer my research questions, I do hope to create a basis and some new insights into the matter using research methods and theories that are trans-disciplinary and allow for an inclusive depictions of a phenomenon.

Another obstacle I encountered, especially when working with business study-specific literature, was the terminology used to refer to both African countries as well as the people living in them. I have often found it difficult to choose a specific term, particularly when a certain power discrepancy was implied by the terms themselves. Such terms include "third world", "developing countries", "the West", "the Global South/North", "the poor" [sic!]. While I have found all these terms used in the literature I have read and/or referenced, I decided for myself – for the lack of a better option – that the terms I will use, when grouping of countries is necessary, are "the Global South" and "the West". At the same time, I am aware of the heterogeneity of the Global South and that the term by no means is a synonym for Africa. Since it is a constructed concept used to refer to the grouping of countries and areas with lesser economic impact as a result of neo-colonial power imbalances, it is important to me to keep in mind the underlying power dynamic of the term. Moreover, the capital letters in both the Global South and the West should indicate that they are a constructed concept and should be read as such.

The importance of who speaks for whom and in what manner also translates into my choice of secondary literature. The criteria when choosing my sources were in order of importance: actuality (the more recent the better), diversity (favouring non-White/African researchers to give a voice to people of the communities affected), significance (Journals with significance in the field of IB, CSR, and GVN were preferred), phenomenon-specificity (CSR in the Global South), case study specific (Tony's Chocolonely).

Actuality was important since CSR is a rather current occurrence, especially in connection with the Global South, and situations in IB seem to evolve increasingly fast with new technologies and globalisation. Diversity on the other hand is an issue I have prioritized due to the topic of my research. I believe it is important to give a voice to people who are closer to the reality of the topic I have chosen to research than I am. This in my case does not only include voices of the cocoa farmers but also African academics who have focused their work on CSR in the Global South (see Nyuur et al. 2014; Ofori et al. 2014; Ofori/Hinson 2007). In some instances, I have put the importance of diverse articles above significance based on the journal they were published in. For example I would favour an article by a credited African author over one published in an important journal (e.g. The Journal of International Business Studies or Journal of World Business) even if the former is published in a smaller, regional journal (e.g. African Journal of Economic and Management Studies).

IV. Existing Concepts, Frameworks, and Key Debates

The fourth chapter of my thesis introduces the different concepts and frameworks that are relevant to international value chains, CSR, and the Ghanaian cocoa trade. I try to show an increasing interconnection between the different theoretical approaches and focus on the interdisciplinary research that has been done so far, before in Chapter V. “Exploring the Case” discussing how these theories are all relevant and necessary to understand the phenomenon of Tony’s Chocolonely.

I will start by exploring global value network (GVN) concepts with a focus on the Global South since the community of my case study and the correlating firm act within and on opposing sides of their GVN.

I continue by taking a closer look at corporate social responsibility (CSR) by defining it and discussing it in regards to its conceptualisation, past research, and its role in global value chains. Lastly, I explore CSR in the context of the Global South, and (West) Africa in particular since research thereof has so far been limited (see Ofori/ Hinson 2007) yet it is the focus region of my research.

The last subchapter, “Neo-Colonialism”, then adds a critical lens usually not associated with business research but important in other fields such as African studies. While my main research goal is to explore the effects of CSR decisions of Western firms on the local communities, I believe it is important to keep discussing the matters at hand from a dependency perspective since neo-colonialism is still a formative issue in today’s business world with growing power asymmetries and supplier dependency (see McWilliam et al. 2020; Whitfield et al. 2020).

a. Global Value Network

Global Value Networks (GVNs) as complex systems of points of connections between firms and their diverse suppliers are an important part of the international business landscape (McWilliam et al. 2020: 1). In recent years, these networks have become increasingly globalised and dispersed (McWilliam et al. 2020; Rondi et al. 2020; Soundararajan 2021) making their organisation and governance an important factor in their success (Rondi et al. 2020: 105).

These networks however are shaped by “[…] *asymmetries in power, knowledge, and information*” (Soundararajan 2021: 3), which affect the actions of all involved parties. Since this is especially true for South-North supplier relationships, this chapter not only deals with the definition of the GVN and its past research but sets a distinct focus on global value networks in connection with the Global South.

i. Definition

The term '*global value chain (GVC)*' can be seen as an umbrella term for research into, amongst others, international production networks, global production networks, global production systems, and the French filiére concept (Bair 2005: 162). GVC as a term was agreed upon on basis of inclusivity in 2000 by scholars in order to form an academic canon for *'value chain analysis'* (Bair 2005: 162) amongst scholars interested in the network of global production. Prior to 2000, research into GVC can also be found under the terms of the (global) commodity chain (GCC) or the (global) supply chain. (Bair 2005: 162; McWilliam et al. 2020: 1) The GVC approach further suggests that the parties involved ranged between raw material suppliers, production, and end product consumers who could be greatly geographically dispersed (McWilliam et al. 2020: 1).

It is important to mention that even with an umbrella understanding of the GVC, scholars still ask for a differentiation within global value chains.

McWilliam et al. (2020: 7) explain how the point of origin of theory development can influence the perception and categorization of GVCs. For instance, they (McWilliam et al. 2020: 7) mention the split of GVC into buyer- or producer driven value chains in which the former are connected to firms striving to find cheaper labour worldwide.

Another differentiation can be made between various sectors such as the iron ore chain or agricultural industries, with each sector having distinct characteristics (v. Dijk/Trienekens 2012: 13). Moreover, additional differences can be found between local and global value networks since they have different requirements from each other. For example, companies who aim to participate in global trade need good quality products to gain international market access. (Gockowski et al. 2011: 1)

In my thesis I would like to use the definition of the GVC as proposed by Kaplinsky and Morris (as quoted in v. Dijk/Trienekens 2012: 13). They describe it as "[…] *the full range of activities which are required to bring a product or service from conception, through the different phases of production* […], *delivery to final consumers, and final disposal after use*." Van Dijk and Trienekens (2012: 13) see one of the greatest advantages of the GVC approach in its contextualization, both in terms of resources and markets. Moreover, events are taken into consideration no matter where along the value chain they occur. However, in order to be more

inclusive of horizontal network structures along the vertical value chain, I opt to use the term Global Value Network (GVN) in my thesis.
In regards to my case of Tony's Chocolonely and the cocoa trade in Ghana, it is clear that the firm is part of a global, buyer-driven, agricultural value network with the relative power situated with the lead firm, the company that controls the majority of the network, in the West.

ii. Research

Generally, GVN literature has focused on privately owned exporters embedded in internationally standardized governance structures (v. Dijk/Trienekens 2012: 13). Concerning past research into the global value network, McWilliam et al. (2020: 7) further identified in their study that over 75% of all macro-level studies prefer looking into the whole network rather than specific inter-firm points of connection. This allows the broad assessment of existing power imbalances in the network. Micro-level studies on the other hand examine governance at specific nodes whereas meso-level studies link macro and micro by examining multiple or all nodes of a value network. (McWilliam et al. 2020: 7)
One topic that is repeatedly at the centre of attention in GVN research is governance. Governance can, in turn, refer to power dynamics within the relationships of firms, or it can refer to the regulations concerning the interaction between the network and its surroundings (McWilliam et al. 2020: 1). At the forefront of GVN governance research is the concept of transaction cost economies in which transaction complexity, supplier capabilities, and the possibility of codifying production knowledge are the key factors. Missing from the focus however is the lead firm's influence on its governance practises, its agency. (McWilliam et al. 2020: 2)
Though, what is to be considered in connection to governance is the great distances between suppliers and firm as well as institutional differences in the firm's environment. The distance can lead to the inability of the company to constantly monitor supplier activities directly. Instead, contractual mechanisms such as formal agreements are used to guide interactions and actions for prices, time, operations, quantity and quality, and production. An exception to this are sustainability measurements, which cannot be governed in the same manner. (Soundararajan 2021: 2)
To bridge the gap of firm agency and the GVN research, trans-disciplinarity should be considered – an aspect of research almost non-existent in global value network research according to Buckley et al. (2017: 1050), who claim that work on GVN phenomena in IB have

developed mostly isolated from other research disciplines working on the same subject. Moreover, GVN research could benefit from IB approaches. McWilliam et al. (2020:1) explain that, while the common perspective in GVN research is one from the network to the firm and the linkages between the different actors and their relationships to each other are in the foreground, IB research usually starts at the firm and looks outward through theories of internationalization (e.g. related entry mode studies). Common points of focus in IB are ownership, location, and internalization advantages as part of the OLI paradigm which includes various IB theories. (McWilliam et al. 2020: 1f)

Therefore, IB could bring insights into the ownership characteristics and a firm's agency, while GVN governance research can enrich IB theories by expanding both ownership as well as location understanding, and most importantly the dynamic interactions between them. Moreover, network-dependency of leading firms is better explained through GVN research. (McWilliam et al. 2020: 2)

Using each discipline's strength, McWilliam et al. (2020: 11) suggest focusing on triadic studies with the three foci lead firm agency, network-dependency, and network control to examine the multiple embeddedness of companies within diverse local contexts.

iii. GVN And Global South

One such context is the Global South and the many local contexts within it. Despite having discussed the matter in the subchapter "Reflections" I would like to repeat that "the Global South" is a constructed concept, which refers to the grouping of heterogeneous countries and areas with lesser economic impact as a result of neo-colonial power imbalances predominantly situated south of the more impactful countries in the north as further explained below. Moreover, the term is by no means used as a synonym for the African countries on which I am focused.

Power asymmetries are but only one of many differences between companies in the West and their suppliers in the Global South. They also include dissimilarities in culture, expertise, capabilities, management, and institutional environment (Soundararajan 2021: 8). For instance, countries in sub-Sahara Africa have not yet created competitive manufacturing industries since their independence from European colonialism, which forced the many of those countries to focus on raw material export. Nevertheless, sub-Saharan Africa's economy has been growing steadily between the mid-1990s and 2010s. (Whitfield et al. 2020: 196)

One apparent challenge for many firms situated in sub-Saharan Africa is to enter agribusiness export sectors in the first place. Whitfield (2020) argues that the reason for that is not only found in the firm's inability to build capabilities as a result of lacking financial capital, tacit knowledge, and social networks but also in the asymmetric structures, both transnational interfirm structures as well as geographic placement.

The power asymmetry moreover makes it difficult for suppliers to upgrade and capture value (Whitfield et al. 2020: 196). Upgrading refers to higher value-added production practices, technology, and knowledge and can, besides referring to products, also relate to amongst others function, process, and inter-section (McWilliam et al. 2020: 6). The inhibition of upgrading and value capture in supplier firms is mostly a result of the lead firm's control over intangible assets and the resulting price pressure, despite expecting higher requirements such as "*[...] produc[ing] and deliver[ing] according to the specifications of buyers in terms of price, quality, reliability, delivery time, flexibility, and compliance with safety, social, and environmental standards*" (Whitfield et al. 2020: 203). For plenty of firms in the Global South this means that the demands outweigh the benefits and taking part in the GVN is no longer beneficial for them. That in turn, inhibits economic as well as social upgrading. (Whitfield et al. 2020: 196) This is especially the case, if the national or regional markets offer economic opportunities with lower financial risks (Whitfield et al. 2020: 200). For instance, in the cocoa trade this can be translated to the increase of darkness and flavour quality of the cocoa which serves as a way to differentiate one's product from the competition (Gockowski et al. 2011). However, the low earnings from conventional cocoa production often keep farmers from investing into higher quality seeds despite Gockowski et al.'s (2011) sensitivity analysis showing that with fertiliser subsidies switching to higher quality cocoa would dramatically improve the farmer's income. (Gockowski et al. 2011: 1)

On the other hand, McWilliam et al. (2020: 6) claim that suppliers can benefit from a strong lead firm if they facilitate supplier-upgrading by investing the lead firm's own capabilities and knowledge. An example of help received from a node up the value chain is the relationship between unpackers and suppliers of the Dutch auction. The Dutch auction, while having a set of minimum requirements that can inhibit participation as described above, still facilitates value capture through higher prices, improved quality, and supplier consistency and upgrading. This is because the Dutch auction requires firms to upgrade their product, production, and end-market capabilities. Moreover, simply being part of the 'Dutch auction communicates reliability to potential buyers. The unpackers thereby play the vital role of passing on information and knowledge to the suppliers. (Whitfield et al. 2020: 208)

As described above, it is often difficult for companies in the Global South to meet the minimum requirements to even enter the GVN (Whitfield et al. 2020: 203), however the Dutch auction is a good example of how access to foreign tacit knowledge can positively influence suppliers (Whitfield et al. 2020: 206).
Moreover, one aspect that strongly influences the nature and extent of intrafirm resources are shared social networks between local and foreign supplier firms. Through those, they can access both knowledge as well as finances of the network. Additionally, links to foreign investors, buyers, and suppliers can be formed. (Whitfield 2020: 201)
However, not only the quantity of relationships but especially the quality of them, influences supplier performance. That is, the more intense the relationship between supplier and buyer the higher the productivity of the supplier. In turn, suppliers benefit from more financial stability, especially in light of global financial crises. (McWilliam et al. 2020: 7) These relational governance practices are more commonly found if lead firms have an interest in creating more supplier firms or if the suppliers have specialized complementary assets (Whitfield et al. 2020: 202).
Closer relationships between different nodes of the GVN can also come from the nodes' ownership characteristics. Whitfield et al. (2020: 201) state that not only did it matter whether or not local firms were fully locally owned or are a joint venture (with the latter being more successful in accessing resources), it also mattered who owns or invests in the local firms. Diaspora investors for example are associated with greater network strength and therefore access to finances and knowledge in their country of origin.
Such social networks though are not always between lead firms or investors and suppliers, they can also come from International Baccalaureate or other NGO projects. This was the case in the instance of the farmers involved in the cocoa trade in Ghana studied by Amponsah et al. (2019). In their research they dealt with *"*[…] *partnerships and collaborations between* […] *(NGOs), private firms, commercial banks, government agencies and cooperative societies as well as the poor* [sic!]*"* (Amponsah et al. 2019: 10) with the objective to discuss the partnership and dependencies between the different agents. They (Amponsah et al. 2019: 10) came to the conclusion that agents were bound most importantly by contracts, meetings, and trust-based relations, the latter being the most effective for engaging local farmers who through the International Baccalaureate project gained market, product, and service access that they otherwise lacked.
In the agriculture sector, farmers' market organisations (FMOs) are another way for local suppliers to gain network access.

Lutz and Tadesse (2017) have named unrestricted access to FMOs as the main hindrance in the case of countries of the Global South trying to access agricultural GVNs since they forgo proper selection for inclusion. They argue that especially in non-community-driven organisations, free access eases free riding, meaning that "*[…] existing members have disincentives to invest in the cooperative because new members could obtain the same benefits as them, without having invested.*" (Amiquero et al. 2023: 6)

This leads to a lack of commitment and in turn a lack of investment. Hence, external support becomes a necessity in order for the FMO to survive. (Lutz/Tadesse 2017)

Another approach to facilitate entrance and upgrading for in the GVN for suppliers in contrast to the NGOs is through external support from governmental organisations or the government itself. For examples in the Ghanaian cocoa trade, Luckstead (2019) for instance proposes for the local government to support and promote child-labour free production through monetary incentives. In particular, they (Luckstead 2019) put forward the idea of a policy that substitutes child labour income for the families via cocoa price. In return, the board could label the cocoa as child-labour free and differentiate themselves from the competition just like in the case of better quality cocoa described above. This not only strengthens the local economy by increasing the farmers' income but also increases social upgrading. Subsequently, African regional value chains see a steady growth and local supplier firms are able to strategically diversify and experience a better bargaining position in global value networks (Whitfield et al. 2020: 197).

In conclusion, this subchapter shows that GVN research can benefit from further trans-disciplinary research to build on the strength of, for example, international business theories. Moreover, global value networks with a South-North connection are of special interest due to the strong power asymmetries within the network and the stark cultural and capability differences. I believe the already existent focus on power imbalances and GVN governance can be enhanced through a neo-colonial lens, both academically and practically.

b. Corporate Social Responsibility and Brand Activism

> "CSR can help business reach the goals of social justice and economic prosperity by creating welfare for a broad range of social groups, beyond the corporations and their shareholders."
>
> (Bowen 1953)

As Bowen (1953) summarizes in the above quote, like the global value network (GVN), corporate social responsibility, too, involves and connects multiple subjects from the firm to its share- and stakeholders to the broader society and environment. In this chapter, I will go step by step through past CSR research, different understandings of the term, and the underlying theories before discussing the motives for, and different attributes influencing CSR practices of companies, how CSR relates to the GVN, and especially how CSR in the Global South can be understood by academics and businesses with a special focus on (West) Africa. Lastly, I make a small excursion into the marketing aspect of brand activism since my case study firm is a fitting example of how brand activism can disclose CSR activities to society while benefiting both the firm and the stakeholders.

i. Research, Definitions, and Underlying Theories

To begin with, research concerning the social responsibility of business is not an entirely new field of study, with its roots often traced back to Bowen's "*The Social Responsibility of Businessmen*" first published in 1953. Its discussion on corporate social responsibility (CSR) and business ethics was followed by a wave of intense CSR research during the following two decades (1960s and 1970s). The Journal of World Business (JWB) for instance published its first special issue concerned with UN-efforts in the sustainability domain in 1972. The Journal of International Business Studies (JIBS) on the other hand had his first feature of a CSR article in 1976. (Wettstein et al. 2019: 56)

Over the last years, despite observers not exactly agreeing on why, both scholars as well as organisations have again become increasingly interested in corporate social responsibility in both theory and practise (Pisani et al. 2017: 591; Nyuur et al. 2014: 94; Yu et al. 2015).

A study by Pisani et al. (2017) for instance reviewed articles from 31 leading, international, peer-reviewed journals over a 31 year span starting in 1985 and ending with the year 2015. The analysis of the 494 articles identified by Pisani et al. (2017: 594) thereby shows that almost half (47.8%) of them were published in the last five years considered and only 11.5% of them were found in IB specialized journals although the authors, in opposition to earlier works, had tailored their keyword search to IB terms. Nevertheless, the journals have gone from occasionally publishing international CSR related articles to almost ten publications per year in the last five years. Especially the Journal of World Business has increased the amount of generic, not particular IB-related topics and special issues in recent years. (Pisani et al. 2017: 594)

Most articles on international CSR were expectedly found in CSR journals with a peak of topic related publications in 2009 and 2010 (Pisani et al. 2017: 594), while management journals have published either none or only a few articles on international CSR throughout the 1985-2015 period (Pisani et al. 2017: 596). Buckley et al. (2017: 1051) add there should be a stronger focus in academic literature on non-governmental organisations (NGOs) who are increasingly important and influential participants in IB. This especially the case due to their strong ties to civil society, their value creation, and knowledge. (Buckley et al. 2014: 1051)

Yu et al. (2015: 384f) further recognise that the most studied CSR topic has been corporate environmental responsibility. They (Yu et al. 2015: 384f) argue that this is due to the immediate observability of environmental protection for stakeholders, the profitable impact on the firm through pollution and waste reduction, as well as globally stronger regulations on environmental protection than other CSR issues.

In these studies, CSR has been referred to and is understood in different ways. To begin with, CSR, with the three foci "People, Planet, Profit" (= triple-bottom line; see Yu et al. 2015: 386), has repeatedly been referred to as sustainability (Ofori et al. 2014: 1; Pisani et al. 2017: 591), *"corporate responsibility, corporate citizenship, social enterprise, [...] sustainable development, triple-bottom line, corporate ethics[,] and, in some cases, corporate governance"* (Ofori et al. 2014: 1). Ofori et al. (2014: 1) further claim that this variation in terminology has led to confusion in relation to the underlying concept and thereafter to multiple understandings of CSR by different actors.

Hence, the International Standards Organization's Committee on Consumer Policy (ISO) on Desirability and Feasibility of ISO CSR-Standards stated that while some of these terms are indeed similar and/or interchangeable, corporate (social) responsibility is the most inclusive of the above mentioned. (ISO Working Group 2002 as referenced in Ofori et al. 2014: 1) Consequently, I too opt for the concept of 'corporate social responsibility' and its acronym CSR.

However, not only the terminology on CSR differs but various authors (Nyuur et al. 2014; Ofori et al. 2014; Pisani et al. 2014; Yu et al. 2015) have additionally come to several different definitions.

The term corporate social responsibility is broadly described by Ofori and Hinson (2007: 179) as follows: *"Social responsibility is fundamentally a philosophy about the relationship of business and society"* (Ofori/Hinson 2007: 179) and therefore deals with issues not only regarding corporate governance but also social activism and generally an effort to engage in philanthropy (Yu et al. 2015: 384).

Pisani et al. (2017: 591) and Yu et al. (2015: 386) further agree that CSR can be roughly defined as a corporations' strategies, actions, and policies aimed at fulfilling both stakeholder expectations and economic, social, as well as environmental goals. Moreover, they (Pisani et al. 2017: 591, Yu et al. 2015: 386) stress that CSR is context specific.

This context can be captured in the four components of Crane et al.'s (see Ofori et al. 2014: 2) CSR model, namely the marketplace, workplace, environment and community.

The following definitions of CSR discussed in the paper of Ofori and Hinson (2007) additionally add the notion that not only are CSR decisions influenced by the firm's context but rather the company's push to positively influence it.

Ford (quoted in Ofori/Hinson 2007: 182) for example states that ''*a good company delivers excellent products and services, and a great company does all that and strives to make the world a better place.*'' To which the World Business Council for Sustainable Development adds that CSR is the ongoing commitment of a firm to conduct its business ethically and not only further the economic development of its area but also enhance the quality of life for its surrounding communities, its employees and their families, as well as society in general (see Ofori/Hinson 2007: 181). Lastly, Ofori and Hinson (2017: 182) add that CSR actions go beyond what the law and shareholder expectations require.

Therefore, the definition of CSR that I will use in my thesis is close to Nyuur et al.'s (2014: 96) summary of CSR-definitions and can be put as: the voluntary actions, strategies, and policies of a company that integrate social concerns such as the wellbeing of its members, the immediate and larger society, as well as the environment, into their business operations. CSR further calls for firms go beyond what is required by the law to act ethically, profitably, and in an environmentally friendly manner. (see Nyuur et al. 2014: 96; Ofori/Hinson 2007: 178)

In light of the vast variety of terms and definitions of corporate social responsibility, I find it important to discuss the different underlying theories on which the abovementioned definitions are based. Ofori and Hinson (2007: 180) describe these understandings as a continuum reaching from one end - based on the Corporate Citizenship[10] argument, which claims that profit maximation is the only proper goal a company should have and overt calculation rather than morality forms a firm's social obligation (Ofori/Hinson 2007: 180)- to the other, more contemporary end, which sees companies as "the trustees of societal property" (Ofori/Hinson 2007: 180), who benefit from society through their consumption and therefore must act in such a way that their business conduct make sense socially. However, it further insinuates that their social actions should make economic sense. (Ofori/Hinson 2007: 180)

Other CSR related theories named by Nyuur et al. (2014: 97) are the normative stakeholder theory, universal rights, the common good approach, sustainable development and most

[10] Smith (1967 as quoted in Ofori/Hinson 2007: 182) says that ''*a company's institutional imperative is to survive as an originator of wealth: to produce material goods and bring them to market, safeguard capital, maximise profit and do justice to stockholders*.''

frequently mentioned the legitimacy approach, as well as the stakeholder theory. The latter is viewed from an integrative and ethical theory perspective and implies that an organisation strongly depends on their stakeholders' well meaning. Such stakeholders would include amongst others: customers, general public, shareholders, suppliers. Therefore, the organisation has to constantly work on its relationship to its stakeholders by keeping their interests at heart in order to sustain profitability. (Nyuur et al. 2014: 97)

The legitimacy approach is usually viewed from a political theory perspective and is embedded in the belief of an existing "*[...] socially constructed system of norms, values, beliefs and definitions*" (Nyuur et al. 2014: 97) through which the actions of a firm are legitimised by deeming them appropriate or even desirable. The legitimacy approach thus goes hand in hand with the aforementioned corporate citizenship approach since the decision of a firm to act in a socially responsible manner is understood as being made rationally, strategically and in the pursuit of profit. This is because companies realise that their fulfilment of society's CSR expectations will lead to a better reputation and the legitimation of their business. Moreover, a company that is perceived as socially responsible is rewarded by its stakeholders in form of an increase in demand of their products, the willingness of customers to pay higher prices, investments, and an increase of job applications and in turn human capital, sometimes even at a lower pay rate. (Nyuur et al. 2014: 97) However, on the other hand, firms who refuse to participate, or are perceived to disengage from active CSR practices, are often condemned by not only the general public but also by other organisations (Soundararajan 2021: 2).

Nyuur et al.'s (2014: 98) argument that the legitimacy theory encapsules the stakeholder theory gains weight if the stakeholder now is seen as part of the company's surrounding society. Especially, due to the shared dependence of trust from stakeholders on the extent of society's perception of the actions of the organisation.

The last model in connection with CSR that I want to discuss is the CSR Value Chain Model by Smit (Nyuur et al. 2014: 98). This model is an eclectic paradigm combining several theories including the legitimacy and stakeholder view, and Porter and Kramer's strategic social and competitive investment views by including the leadership dimension.

The benefit of said model is that it draws attention to both the internal and external factors associated with the formulation and implementation of CSR actions with the best socio-economic outcome. The CSR Value Chain Model thus uses the concept of a value network (see GVN) and adapts it to CSR value creation. (Nyuur et al. 2014: 98)

Important for my thesis is that this model includes and focuses on the broader external environment consisting of the "*[...] economic, social, environmental and political contexts*"

(Nyuur et al. 2014: 98) to which I add the contextuality of neo-colonialism. All these aspects play a role in learning, selecting, managing, assessing, and reporting on CSR. (Nyuur et al. 2014: 98f)

Below you can find the visualisation of the CSR value chain framework by Smit (as quoted in Nyuur et al. 2014: 99), which I believe fits best as the underlying model for my own CSR research.

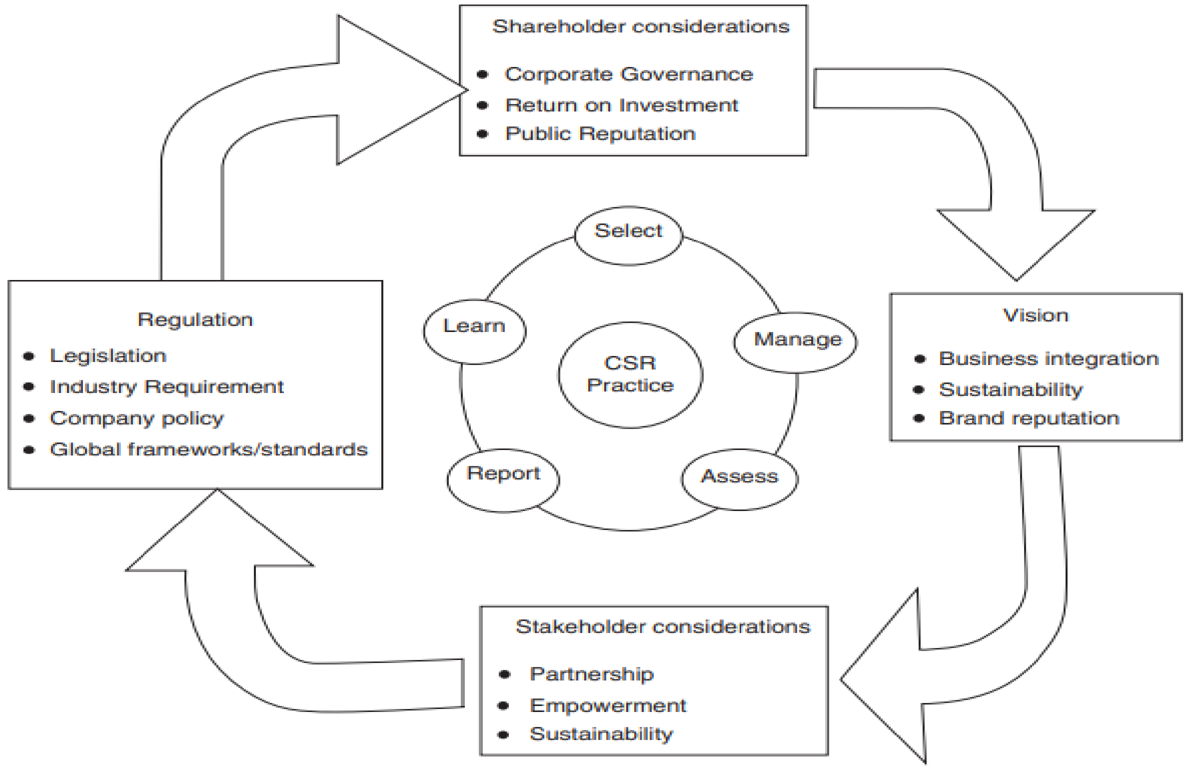

Fig. 2: CSR value chain framework (Nyuur et al. 2014: 99)

While the above described theories (e.g. stakeholder theory) give some insight into why firms choose to have CSR strategies, such as legitimizing their business, and why their strategies differ, Nyuur et al. (2014: 94) claim that there is no one specific reason as to why it has gained such popularity in recent years.

They (Nyuur et al. 2014: 94) however speculate that it might be an answer to society's demand for control over company's growing power and undesired behaviour such as pollution, or mistreatment of workers. Society, as a stakeholder, therefore, uses its power to either positively or negatively affect the company's reputation to influence its behaviour (see also Yu et al. 2015: 384).

They (Nyuur et al. 2014: 94) further add that CSR activities could be due to increasing international standards, like the UN Global compact, the OECD Guidelines for Multinational Enterprises, and the European Framework for CSR, that firms are urged to comply with.

Lastly, the involvement in CSR activities could be interpreted as a political move by businesses to challenge the existing roles they have within society, while still seeking profit as Lindgreen and Swaen (as quoted in Nyuur et al. 2014: 94) put it: *"not only is doing good the right thing to do, but that it also leads to doing better."*

Ofori et al. (2014: 3) on the other hand state that the motives found for CSR engagement generally revolve around strategy and morality with the three main motives 'legitimacy', 'profitability', and 'sustainability' as mentioned by Ofori et al. 2014: 3)

Thus, while for some organisations a moral standpoint is the reason that drives them to, for example, act in an environmentally friendly manner and reduce their CO_2 footprint, or engage in community work (Ofori et al. 2014: 3), other firms take a much more strategic approach to CSR (Ofori et al. 2014: 4; Ofori/Hinson 2007: 179; Yu et al. 2015: 384f).

With respect to the latter, CSR activities become interesting if they encourage rewards from a firm's stakeholders. Those organisations see their CSR engagement and subsequent creation of a social portfolio as a way to gain a competitive advantage since CSR activity has been linked to increased long-term profits through

> "[…] new business opportunities, insulat[ion] from costly regulation, [meeting] shareholder demands, enhance[ment] [of] corporate image and reputation [as] drivers of cost reduction and overall financial performance of companies."
>
> (Ofori et al. 2014: 3f)

These reasons are then translated into businesses via "visions, missions, and value statements." (Ofori/Hinson 2007: 178) Thus, CSR might only be adapted to a single area of interest to the company such as sustainability, while other firms incorporate social responsibility aspects throughout all areas of their organisation. Meaning, that while a firm might be showing intense efforts in environmental responsibility, they might be overall underperforming in taking other CSR measures into account such as worker's rights or child labour (Yu et al. 2015: 384). Ofori and Hinson (2007: 179) claim that either way, for a company's CSR strategy to be effective, it is important that it fits the firm-specific core competencies and its corporate goals.

Ofori and Hinson (2007: 182) further reference the universality of CSR principles to the extent that companies are supposed to conduct their business ethically, meet society's expectations, abide by the law, and enhance the economy.

These principles, however, are criticised by Wettstein et al. (2019: 57) who stresses that the philanthropical comprehension and focus of CSR inhibit organisations from avoiding harm. Especially, since CSR is still connected to its lingering, yet slowly changing and diversifying, understanding of being a voluntary, merely optional business strategy, which should lead to praise for the firm's going-above-and-beyond. They in turn suggest a stronger focus on the promotion of human rights, which, "[…]*in contrast,* [are] *not understood as a voluntary, discretionary or subjective matter*." (Wettstein et al. 2019: 57)

Although CSR is sometimes understood as Business Human Rights (BHR) compliance, the two concepts differ not only in their starting point, reach (namely beyond the reach of institutional frameworks CSR operates in), but also their reach and extent of implied responsibilities for the business since Wettstein et al. (2019: 57f) have found that firms with clear BHR policies are more likely to identify and prevent harmful human rights incidents. Therefore, a stronger cooperation between BHR and IB researchers is suggested to bring together the expertise of both fields.

Besides the different understandings, theories, and motives for firms to participate in CSR practices, firm specific attributes, too, influence their CSR performance. One example thereof are ownership structures. Family firms (FFs)[11] for example are hypothesised to act more socially responsible than their non-family counterparts (Berrone et al. 2010; Bingham et al. 2011; Craig/Dibrell 2006; Dyer/Whetten 2006; Liu et al. 2017; Yu et al. 2015). Thereby, one distinctive driver for family firms to act more socially responsible than non-family firms seems to be the concept of socio-emotional wealth (SEW)[12] (Berrone et al. 2010; Dyer/Whetten 2006; Gómez-Mejía et al. 2007; Yu et al. 2015).

According to Gómez-Mejía et al.'s (2007) study of olive oil producers in Spain, SEW is not only preserved but also reinforced by CSR commitments. Thereby, the different dimensions of SEW affect CSR enforcement in diverse ways. Yu et al. (2015: 384) writes that one reason for the positive influence of SEW on social responsibility is the concentration of wealth in family firms. This is coupled with a strong, direct correlation between family and/or founder involvement in the firm and the firm's participation in social initiatives (Bingham et al. 2011). A study of 195 US firms by Berrone et al. (2010) on the other hand, shows no significant dependency on CEO characteristics.

[11] This excurse into family firms is made due to their importance reflected in the substantial number of family firms all around the globe. In the USA for instance one third of the S&P 500 firms are found and controlled by families. Countrywide, family firm employees account for 80% of the US's workforce and they produce 40-60% of the country's GNP (Arregle et al. 2007: 74). In other parts of the world this number is even higher with approximately 45% of Western European firms, and over half of East Asian business are considered family firms. (Arregle et al. 2007: 74)

[12] According to Debellis and Rondi (2021: 8) socio-emotional wealth is seen as affecting decision making, and can be broken down into five dimensions. These are: family control within the firm and the aim to keep it (F), family identification with the firm (I), binding social ties which lead to commitment and trust (B), emotional attachment to the company's values (E), and the renewal of family bonds in the form of succession (R).

Block and Wagner (2014) additionally stress the need for differentiation between different initiatives since their study of 286 S&P 500 family firms found that while family ownership positively influences internal CSR dimensions (CSR concerning employees, products, diversity, and the environment), community-focused CSR performance actually showed a negative correlation with family ownership.

In conclusion, family ownership and involvement influences corporate social responsibility performance of family firms both positively and negatively. CEO characteristics on the other hand do not seem to matter at all.

What does play a bigger role in family firms' striving to participate in social initiatives and address concerns, however, is their fear to lose face (see Dyer/Whetten 2006 study of 261 S&P 500 FF and non-family firms). In other words, trying to protect their reputation, and since the family's identity is tightly connected to the firm, their family image, leads FFs to for instance foster union relations, build better employee and supplier relationships, and focus more on fair compensation and community participation. They (Dyer/Whetten 2006) even suggest that the higher the SEW-endowments of family firms, the greater their corporate social responsibility efforts. This can be explained by the increased consumer scepsis companies can attract if their reputation in terms of for example fair trade is negative, whereas a positive fair trade reputation positively affects future consumer-company interactions thus strengthening their SEW endowments (Bartels et al. 2020: 533).

This is supported by Huang et al.' (2009) findings that stakeholder pressure is a strong influence on the decision of family firms to adopt better CSR practices. Family firms especially care for their internal stakeholders (Huang et al. 2009; Neubaum et al. 2012), yet the promise of firm growth and increased financial performance fostered by external stakeholders as a positive consequence of CSR involvement (Ofori et al. 2014: 4), is a motivator for both family and non-family firms to fulfil stakeholder CSR expectations (Neubaum et al. 2012).

Family firms however have the additional interconnection between the firm through family share- and stakeholders who are part of, or at least tightly connected with the local community. They hence tend to create stronger feelings of obligation towards the wellbeing of the community while simultaneously having the position to influence the firm's business decision. (Yu et al. 2015: 384) Moreover, Fitzgerald et al. (2010) who explored 334 American family firms found that:

> "Individuals with highly positive attitudes about their local communities are very possibly serving in leadership positions and contributing to the communities with financial and technological support. People with high levels of education are likely to be civic leaders. Those with more household wealth and profitable firms are inclined to help the communities financially and technologically."

(Fitzgerald et al. 2010 summarized in Yu et al. 2015: 388)

Hence, I argue that family firms and their surrounding communities build on each other since socio-emotional wealth can only occur within the interrelation between the two.

Craig and Dibrell (2006) further studied a total of 391 US-American firms and found that family firms were able to benefit from higher performance and innovation levels created through more environmentally friendly practices than their non-family counterparts.

However, corporate social responsibility in FFs is not solely influenced by SEW. A non-SEW related firm character or rather antecedent that seems to influence both CSR as well as company performance identified by Niehm et al (2008) in their study of 221 family firms in small, rural communities in the US, as well as by Amann et al.'s (2012) research into 200 Japanese firms, is firm size. R&D expenditures also matter (Amann et al. 2012).

Size could be insofar important, as it could be reflected in the higher specialization of products or services in family firms and smaller geographic area their operations cover (Yu et al. 2012: 384). However, I believe the latter is not always the case, specifically not in the area of chocolate manufacturing and the cocoa trade.

A completely different approach to CSR and family firm correlation was taken by Déniz and Suárez (2005) who found that in 112 Spanish FF, the approach of CSR was strongly heterogeneous and driven by the business's value and culture rather than biographic characteristics. Part of business culture could for example be the wish for a long-term existence of the firm and relationship with its share- and stakeholders. Said long-term orientation is more common in family firms than non-FFs and is captured in the socio-emotional wealth concept under the dimension of 'striving for succession by the next generation'. (Yu et al. 2015: 390)

The long-term orientation of family firms further make the investment into CSR initiatives more lucrative because CSR investments are often costly in the short term but over time increase the market value of a firm (Liu et al. 2017: 9).

Contradicting to the previously mentioned research, Amann et al. (2012) found that in the 200 Japanese firms, there was no general difference in CSR performance between family and non-family firms. Regarding human resource management, however, non-family firms even outperformed family firms in their CSR-actions (Amann et al. 2012: 338).

These motivational factors for CSR-performance in FFs could translate to non-family firms who also engage in corporate social responsibility to appease their stakeholders and benefit from the positive results of CSR such as financial gain and firm growth. Moreover, non-SEW related characteristics such as intrinsic values, corporate culture, and firm size play a role in both family and non-family firms' CSR approach.

Overall, it is important to note that most of the latest studies regarding SEW and for example environment-focused CSR is conducted in the West. This is important because, while corporate social responsibility is a globally applicable concept, its execution could be closely linked to the institutional environment. In the West, for instance, institutional regulations in connection with environmental protection tend to be developed further and firms are subject to stricter prosecution than for example in Asia or Africa, respectively. (Yu et al. 2015: 385) This aspect of firm environment and applicability of CSR-theories in the Global South will be discussed in the following subchapter.

ii. CSR Across the GVN: the Global South and West Afrika in Focus

Since many firms, and especially the ones involved in the cocoa trade, do not only act within their immediate environment but rather in a geographically dispersed value network, it is important to also take a look at corporate social responsibility in the context of the global value network. This is of importance because the many modern GVNs connect advanced economy firms with suppliers in emerging markets and have the potential to aggravate CSR related governance matters (Soundararajan 2021: 1).

Especially in supply networks involving the Global South, insufficient CSR practices across any stage of a firm's value network can grossly impact businesses in the West by damaging their reputation and hence cause their financial performance to irreversibly take a toll (McWilliam et al. 2020: 10; Soundararajan 2021: 1). These stakeholder expectations of socially responsible business practice lead to a top down approach of CSR regulations along the tipped power scale within the GVN. This can be seen in for instance the dependence of local labour conditions on the lead firm's organisational and governance strategies as well as the inherent power dynamics between the local and the global actor. (McWilliam et al. 2020: 10)

This trickle-down effect of CSR practices, however, is inefficient in emerging market supply chains since they do not take into account local institutional or market conditions. Soundararajan (2021: 2) therefore calls for the implementation of agile sustainability governance (ASG) mechanisms since they increase agency for local actors and include diverse perspectives rather than a one-size-fits-all approach. ASG allows for more strategic mobility, particularly in uncertain environments such as the emerging markets of the Global South.

Why the Global South and Africa in particular are a special places within the global value network as well as regarding CSR is going to be explained in the following paragraphs.

One major fact is the colonial past of the countries in these areas, which left them with little market power in comparison to the Global North. In international business research, the result thereof is that many times the Global South has been merely a side-line topic. However, a slight change can be observed in recent years with CSR in countries of the Global South becoming a distinct field of research not only in terms of conceptualisation of corporate social responsibility but also the implementation of CSR practices (Wettstein et al. 2019: 56)

This is a stark difference to Ofori and Hinson's (2007: 183) claim twelve years prior who state that while corporate social responsibility has been researched well in the global north with a focus on North American and Western European economies with stricter institutional boundaries in terms of CSR (Yu et al. 2015: 385), there is a lack of literature focusing on areas in the Global South (see also Pisani et al. 2017; Nyuur et al. 2014; Ofori et al. 2014). Ofori and Hinson (2007: 183) claim that especially in West Africa and Ghana in particular, CSR research is only just beginning.

This claim is however corroborated by Pisani et al.'s (2017: 589) study which found that, besides a steep increase in CSR research from 2010 on, only 25.5% of the over 480 articles had any mention of "emerging and developing countries"[sic!], to which I will from here on refer to as countries of the Global South. Thereby, only 1% focused on countries of the Global South as host countries while in 33.6% they were considered as host countries. Before 2001, these countries were not considered at all (Pisani et al. 2017: 599). A study mentioned by Ofori et al. (2014: 2) details further that only 12 out of 53[13] were subject to researched published in a key corporate social responsibility journal. Thereby, most research (57%) concerned the BRICS country South Africa, followed by 16% of articles focused on the Nigerian economy. Some researchers thus stress the need to establish an 'Africanised' CSR research agenda. (see Ofori et al 2014: 2)

This lack of research interest in CSR practises of the Global South is astonishing given that CSR could lead " […] *to higher growth, reduction in income inequality and poverty in Africa*" (Nyuur et al. 2014: 95) and more and more governments and business in the Global South start to practice their business sustainably and responsibly.

[13] There are currently 54 fully recognised states on the African continent. All 54 countries are members of the African Union as well as the United Nations. Additionally, the Sahrawi Arab Democratic Republic is recognised as a sovereign state by the African Union as well as 39 United Nations states. While Somaliland is not recognised by the United Nations, it is land currently accredited to but not controlled by Somalia.

Yet, the issue of CSR in countries of the Global South is not solely one of non-existent research. Nyuur et al. (2014: 94) have additionally questioned the applicability of established key CSR theories as well as indices[14] in the given context. They argue that CSR practices are highly context specific and differ in various "*geographical, cultural, political, industrial[,] and economic settings[,] and environmental conditions.*" (Nyuur et al. 2014: 94)

Nyuur et al. (2014: 94f) lists the following differences between the northern and the southern context in which CSR has to be assessed:

> "[1.] [the countries of the Global South] represent the most rapidly expanding economies, and hence the most lucrative growth markets for business;
> [2.] [they] are where social and environmental crises are usually most acutely felt in the world;
> [3.] [they] are likely to have the most dramatic social and environmental impacts (both positive and negative);
> [4.] [these] countries present a distinctive set of CSR agenda challenges which are collectively quite different to those faced in the developed world;"
> (Nyuur et al. 2014: 94f)

Moreover, while some authors (see Ofori/Hinson 2007: 180) argue that CSR is non-existent in the indigenous understanding of business in countries of the Global South and thus suffer from grand social and economic problems which can only be solved by focus solely on economic advancement of the company, others argue that these external factors should be additional drivers for companies to act socially responsible in order to both create economic growth and elevate society as a whole. (Ofori/Hinson 2007: 180)

In order to begin to fill the afore mentioned research gap and find out why and to what extend CSR is incorporated in SMEs in Ghana, Ofori and Hinson (2007) conducted a comprehensive and comparative investigation of Ghanaian Small and Medium-sized Enterprises (SMEs) selected from the Ghana Club 100 list, employing an in-depth and exploratory research methodology. They compared local and internationally connected firms on their CSR issues. They (Ofori/Hinson 2007: 190) found that locally active Ghanaian firms do practise CSR although to a lesser extent than their internationally connected counterparts who make better strategic use of their CSR initiatives. Interestingly enough, their study additionally showed that just over 40% of internationally connected firms with headquarters outside of Ghana still formulate their CSR strategies in their Ghanaian subsidiaries. The authors attribute the tendency to let subsidiaries formulate their own CSR strategy to the cultural and societal complexities faced by international firms. (Ofori/Hinson 2007: 187)

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[14] Indices for CSR practices are established by CSR rating institutions and base the rating of firms on " […] *various criteria including, but not limited to, human rights, environmental protection, worker health and safety, labour standards, marketing, accountability and supply-chain management.*" (Ofori et al. 2014: 2)

Ofori et al. (2014) later on conducted another study in sub-Saharan Africa in which they examined the connection between financial performance and CSR in Ghanaian banks. In it they (like Ofori/Hinson 2007) state that CSR activities in Africa are often philanthropic and aim at legitimation, image creation for marketing, and as a strategic tool for public relations. In essence, sustainability and profitability both play a role for Ghanaian banks when choosing to practise CSR. (Ofori et. al 2014: 3)
They did moreover find a positive correlation, although insignificant in light of other factors such as growth and size, between corporate social responsibility practices and financial performance (Ofori et. al 2014: 6).
The third study I would like to mention in connection with CSR research in the Global South is by Nyuur et al. (2014). In it they aim to address the factors promoting and hindering CSR agendas in sub-Saharan Africa since Nyuur et al. (2014: 95) believe this to be especially important because the CSR concept is still developing in this area. Therefore, they (Nyuur et al. 2014) conducted a survey in 85 companies in six different countries including Ghana, Kenya, Mozambique, Namibia, Malawi, and South Africa. In accordance with the CSR Value Chain Model, they looked at both the internal and external context of the firms and found the following supporting and hindering factors:

Supporting factors	Hindering factors
Executive management commitment and support	Low executive management commitment and support
Availability and management of funding	Lack of sufficient financial resources
Ownership and cooperation of beneficiaries	Low ownership and cooperation of beneficiaries
Project management skills and efficiencies	Limited project management skills and efficiencies
Stakeholder/partnership involvement and management	Stakeholder/partnership involvement and management
Company objectives and CSR policy alignment	Absence of CSR policy
Monitoring and evaluation	Barriers to monitoring and evaluation
Staff commitment, support and participation	Low staff commitment, support and participation
	Insufficient support structures for CSR activities

Table 5: Supporting and hindering factors for CSR (Nyuur et al. 2014: 105)

As visible from the table above, most of the factors are complementary and if taken care of properly will support CSR but on the other hand can be its downfall, if not given the proper attention. Nyuur et al. (2014: 109) further note that besides the funding and beneficiation factor, which are strongly hindering if inadequate and very prominent in sub-Saharan Africa, the nine factors are on par with the *“ […] 12 critical success factors for CSR in Europe as identified by* *the EU multi-stakeholder forum on CSR"* (Nyuur et al. 2014: 109) showing that while some factors in CSR are universally applicable, others are unique to their respective environment.

One other reason for organisation's engagement in CSR I would like to mention in light of the Tony's Chocolonely case study, is one identified by Ofori and Hinson (2007). They (Ofori/Hinson 2007: 180) explain that an increase in CSR activity in the Global South could also be attributed to the increasing expectation of firms of the Global North for their suppliers to adhere to CSR standards.

CSR turns into a requirement in order to stay competitive and includes aspects such as:

> "[…] non-use of child labour, non-use of sweatshop working conditions, adherence to worker health and safety protection requirements, minimum wage pay requirements, maximum work-week work requirements, maximum effluent discharges, maximum pollution control levels, etc.."
>
> (Ofori/Hinson 2007: 180)

Whitfield et al. (2020: 199) too identified non-manufacturing capabilities such as strict safety regulations and the adherence to international labour and environmental standards as reasons for firms to choose a certain supplier over others.

In conclusion, CSR across the global value network can on one hand be viewed as a trickle-down effect from the lead firm's aim to please stakeholders and increase financial gains. On the other hand, supplier firms in the Global South have recognised CSR compliance and efforts as a tool for differentiation from their competition, marketing, and image creation. Moreover, it is important to keep in mind the context of the firm when assessing CSR performance because not all are universally applicable.

iii. Brand Activism

One reason for both firms in the Global South as well as the West to engage in corporate social responsibility is image creation through marketing. Some brands, however, take image creation and branding a step further and become socio-political activists. They not only speak up against inequalities but rather take a loss in stakeholder approval in order to take a stance in highly polarising socio-political topics such as "[…]*sexual harassment, systemic racism,* […] *public health,* […] *LGBTQIA+ rights, reproductive rights, gun control, and immigration*." (Vredenburg 2020: 445)

Said brand activism is described by Vredenburg (2020: 446) as an "*evolution of CSR*" because it not only emphasises company values and purpose over actions and reactions but also focuses on issues not generally condoned by society. The topics brand activists touch on are sometimes strongly polarising and other times not even recognised as problematic by the wider population.

Yet, the sides of actors involved are based on political and religious ideologies rather than an objective right or wrong. Overall, immediate economic interest is put on the back burner, while improving society and the environment is put in the focus. (Vredenburg 2020: 448)

Brand activism, in contrast to CSR (action based) is made up of the two commitments: practice (tangible) and messaging (intangible) (Vredenburg 2020: 448). Of which, both need to be fulfilled in order to be a successful, authentic brand activist (e.g. Ben & Jerry's)(Vredenburg 2020: 449f).

Moreover, society, with around 65% being pro-brand activism, has begun to expect business to take a stand in socio-political matters (see also Barton et al. 2018; Edelman 2018; Larcker/Tayan 2018). However, this is coupled with the doubt that firms really do take part in authentic brand activism but rather engage in "woke washing"[15]. (Vredenburg 2020: 445) This is because when a firm's message deviates from their practice, costumers tend to question the company's motives behind it and for instance see it as a marketing ploy. This unfortunately also tarnishes the believability and impact of authentic brand activism. (Vredenburg 2020: 449) However, there are also silent brand activists who have deeply rooted socio-political values and act accordingly but are not engaging in the messaging part of brand activism. Examples therefore are "[…] *B-Corps whose products inherently lead to a better world through, for example, sustainability (e.g., Klean Kanteen's reusable food and beverage containers).*" (Vredenburg 2020: 450)

The benefits and pitfalls of brand activism are similar to the ones of CSR performance. If a firm successfully merges their socio-political efforts with their values, operations, and messages, the company benefits from brand equity and thereafter increases sales and hence financial performance in the long run. On the other hand, firms who are suspected of the unethical practice of woke washing, drive stakeholders away by fostering distrust. (Vredenburg 2020: 451) Since this mistrust also affects the actions of authentic brand activists, third-party certifications are often used to reassure stakeholders of the brands practices (Vredenburg 2020: 455)

In conclusion, brand activism is an upcoming activity of connecting socio-political values of a company with its practices and external messaging which emerged from the absence of trust in institutions. While it is still less expected to be done than sufficient CSR performance,

[15] "Woke washing" stems from "woke" with the African American meaning of "social awareness" and describes the practise of marketing oneself as being "woke" while not engaging or insufficiently taking part in critical, socio-political practises. (Vredenburg 2020: 445)

stakeholders increasingly demand businesses to take a stand publicly with the chance of brand activism becoming ubiquitous. (Vredenburg 2020: 453f)

c. Neo-Colonialism

In this chapter I aim to define and discuss the overarching theory of neo-colonialism before applying it to the concepts and frameworks of the global value network, and corporate social responsibility. While GVN-research already has an outside-in perspective (McWilliam et al. 2020:1) with a strong focus on power imbalances, and CSR aims to decrease social injustices, neither show an explicit connection to neo-colonialism.

In 1965 Kwame Nkrumah (1965: 155) recognised that colonialism as it was known in the 1960s was slowly coming to an end since foreign rule was no longer approved of and turning a sovereign country into a colony once its independence was declared, became rather impossible. However, a new and possibly the most dangerous form of oppression, neo-colonialism, has become the latest representation of imperialism. They (Nkrumah 1965: 159) powerfully refer to it as the most dangerous expression since *"for the once practicing it, it means power without responsibility, and for those suffering under it, it means exploitation without compensation."* Thereby, neo-colonialism is not a strictly African but rather a worldwide issue (Nkrumah 1965: 163).

Nkrumah (1965: 155) defines neo-colonialism as indirect foreign rule, meaning that while a country might have all the attributes of independence, their economy and political opportunities are greatly controlled from outside. This neo-colonial control is enforced through economic and fiscal pressure rather than military control as it was formerly the case. One example therefore would be the implementation of a democracy by a country's leader in exchange for foreign loans to finance the states costs (Nkrumah 1965: 156).

They further claim that "*investments made in a neo-colonial framework, increase the cleft between the rich and the poor [sic!] countries on earth instead of reducing it.*" (Nkrumah 1965: 156) While this statement first seems to reject all investments, this is not the case. It merely puts into focus the power aspects of such transactions. Nkrumah (1965: 156) clarifies that fighting neo-colonialism means fighting the misuse of power by financially strong actors who with their involvement enrich themselves by making the less developed countries poorer.

An instance therefore would be the need of small nation states to sell their raw materials and primary products to their former colonial oppressors who control pricing. The long term goal of neo-colonial powers is to hinder both economic growth and the establishment of a strong and self-sufficient market. (Nkrumah 1965: 160)

While Nkrumah's (1965) text is now almost 60 years old, the same consequences of neo-colonialism they mentioned, such as stagnating low raw material prices, the hesitancy of manufacturing in former colonial territory, and insufficient educational opportunities, are still observed today, despite failed efforts of various organisations to "help" (see Nkrumah 1965: 161/165). Moreover, while slavery and forced labour are now forbidden by law, the socio-economic circumstances colonialism has created, still force people into working for below living income wages with no opportunity to change their situation (tonyschocolonely.com n. d. b: 14).

i. Neo-Colonialism in the GVN

The global value network is a system with inherent power, cultural, resource, and institutional differences (Soundararajan 2021: 4) born from a history of colonisation. Without understanding the (neo-)colonial context, the current problems within the cocoa trade and many other South-North GVNs cannot be understood. This is because not only colonial power and thought structures were passed down but so were trade structures that were established during colonial rule. Ghana's cash crop and export oriented economy as well as constant interventions by the World Bank and International Monetary Fund are just two of many traits inherited from the country's colonisation. (Fountain/Hütz-Adams 2022: 70)

Therefore, despite being rich in natural resources, West African countries still struggle today. In detail, natural resources are unevenly distributed in global value networks, with Africa holding an estimated third of the remaining mineral deposits on earth, while also being rich in oil, land, and other natural resources such as agriculture products. This has led to the continent showing the fastest growth rate of FDIs (foreign direct investment) globally. It can hence be hypothesised that natural resources are a driver for economic development and growth. However, this has not been the case with African countries, who are still struggling with poverty reduction and increasing dependencies on commodity export. This is referred to as the "natural resource curse". (Musibau et al. 2022: 1)

In regards to the cocoa sector, Musibau et al. (2022: 2) found that farming in West Africa has not attracted significant domestic and foreign investment since it is not progressive enough. This lack of investment further hinders growth and limits the international competitiveness of the products. Moreover, the focus on resource export and the FDI into it decreases diversification, service sector activity, and manufacturing activities. The latter would prompt growth if they were invested in by providing low-cost-skilled labour. (Musibau et al. 2022: 2) However, to this day, as established under colonial rule the division of labour with the West focuses on technology-, investment-, and profit-rich production activities, while the Global South is left with low-earning, less skill-requiring production steps (Gradin 2016: 356). Whitfield et al. (2020: 202) add one reason thereof, which is that diversifying the export industries in supplier countries is costly and risky since local actors are met with weak infrastructures, high labour turnover, and foreign exchange shortages. Furthermore, profit is hardly ever made while closing the capability gap, especially if tacit knowledge is foreign to the firm's environment. Even if high enough competitiveness is achieved to enter the manufacturing or agribusiness value network, globally the competitiveness and success might be marginal. (Whitfield et al. 2020: 200)

The neo-colonial structures of South-North supplier relationships can further be observed in the top-down governance mechanisms and ownership advantages, which are especially found along vertical interconnections in GVNs and embody power asymmetries (Soundararajan 2021: 3). These in turn lead to mutual interdependencies between buyer and supplier firms that influence both performance and innovation of both players with the power often situated with the buyers (McWilliam et al. 2020: 12).

Western buyer firms employ different governance strategies to uphold their power. These are often rigid contractual mechanisms such as formal agreements that for instance encompass how interactions are supposed to take place, penalties for contract breaches, solutions for unexpected events, prizing, expected quality and quantity of products, and timing. (Soundararajan 2021: 2) In other words, despite not being "*[...] directly involved in production, the requirements and standards that [Western buyers] set determine the capabilities suppliers need to participate in specific value chain function.*" (Whitfield et al. 2020: 202) The described gate keeping is also visible in the need for suppliers to uphold certain requirements in order to upgrade and capture greater value[16] (Whitfield et al. 2020: 199). However, in accordance with the neo-colonial system and ongoing exploitation of supplier countries, the gains of upgrading are captured by Western buyers since all suppliers upgrade simultaneously. Hence, they do not outgrow competition but merely keep up with them. These constrains the agency suppliers have within the power imbalanced GVNs. (Whitfield et al. 2020: 197) Fountain and Hütz-Adams (2022:

[16] Value in the GVN-context often refers to profits, added value, or price markups and often ignore labour as value holding activity (Gradin 2016: 359).

70) agree that the West still appropriates the riches of the Global South and its former colonies through agricultural products, cheap labour, minerals, and other commodities.

Gate keeping though does not only refer to the harbouring of resources and opportunities but also includes the exclusion of actors of the Global South, and farmers in particular, in conversations and decision making processes. This entails that the interests of cocoa farmers are represented by either organisations and governments instead of fellow farmers, or people of the West. As a result, the interests of farmers are not really represented at all since decisions are often convenient for the enforcers. In order to stop farmers from representing themselves, several barriers are put in place ranging from not providing translations, high travel costs, no financial funding, and visa restrictions. The latter thereby being an intended barrier not only to exclude cocoa farmers but people of the Global South in general by inhibiting free movement. In detail, visas are intentionally used by decision makers in the cocoa industry to exclude farmers by holding global dialogues in person in countries with high travel restrictions for citizens of the Global South (Fountain/Hütz-Adams 2022: 71).

Nevertheless, visas are only one restriction. The financial burdens imposed on farmers are just as great and the money and power discrepancies are linked to each other. In the cocoa trade money means decision making power. (Fountain/Hütz-Adams 2022: 72) Additionally, the use of inflammatory language and racial bias and discrimination contribute to the exacerbation of systemic power disparities. These are evident in the underrepresentation of individuals from marginalized groups in senior executive positions within the chocolate and cocoa industry. For instance, the World Cocoa Foundation has sixteen board members of which none are Black or West African, clearly showing who has power in the decision making process. This for instance explains why higher prices as demanded by West African governments have not been obliged to and the continued blaming of suppliers in the Global South for their own poverty, despite the much higher risk borne by them. (Fountain/Hütz-Adams 2022: 71f)

In terms with the existing top-down governance and gate keeping within GVNs, they often employ social auditing to make sure local suppliers keep up with the imposed requirements. Soundararajan (2021: 3) criticises these social audits and the top-down approach due to their limitations concerning legitimacy, the inclusion of actors and discourses, the authenticity of intentions, and the outcomes of social audits. They further suggest that auditing practices and the threat of penalties lead to issues such as hiding problems on the supplier side through corruption (bribes), unregistered production sides, termination of unfavourable workers and prepping of others ahead of audits, and the loss of trust between buyers and suppliers. Soundararajan (2021: 3)

The export dependency, growing income inequality, environmental degradation, limited chances of improvement, gate keeping, control mechanisms such as social auditing, and exploitative relationship (DeLuca-Acconi 2017: 8) add up to what Nkrumah (1965: 156) describes as neo-colonialism and Musibau et al. (2022: 3) calls "*the revival of colonialism*".

ii. Neo-Colonialism, Human Rights, and CSR

As a phenomenon within the global value network, corporate social responsibility is also affected by the neo-colonial structures. Especially in the agricultural value network, CSR decisions are often made far from the cocoa farmers they affect by people in power who have their own interest at heart (Blowfield/Dolan 2008:5; Fountain/Hütz-Adams 2022: 6). In other words, much like general GVN governance, CSR and sustainability governance in particular are characterized by a top-down mechanisms such as audits, contracts, or certifications. Those mechanisms are often invented by Western NGOs and then implemented internationally. Thereby, the actors of the Global South, such as cocoa farmers, experience a disregard of both their agency and their expertise. Moreover, North-South CSR measures tend to disregard the complex context they are supposed to be implemented in. Examples of such factors are the institutional situation, the local culture, or the socio-economic condition of the country. (Blowfield/Dolan 2008: 8; Soundararajan 2021: 1) An instance for the importance of the institutional context would be the significantly lower occurrence of human rights controversies in Latin American companies situated in a country with high levels of free speech and press freedom who adopt CSR policies compared to companies in countries with stark restrictions on free speech (Wettstein et al. 2019: 57).

The inherit discrepancies between CSR-ideas of the West and Global South not only puts the decision making power into the hands of Western firms but also limits the legitimacy of CSR practices among suppliers of the Global South because their agency to facilitate positive change is limited (Soundararajan 2021: 1).

For those reasons, amongst others, a new research field (BHR) has emerged that calls for the focus on upholding human rights rather than implementing CSR goals, especially in global operations. The field as well as the understanding of human rights was strongly influenced by the realities of Western MNEs working with the authoritarian, racist regime in apartheid South Africa in the 1970s and 80s. (Wettstein et al. 2019: 55) Thereby, human rights can be defined as fundamental rights every person has simply because they are human. They apply to all areas of life, including politics and civil society, and also contain cultural and socio-economic rights as "*[...] defined by the UN Universal Declaration of Human Rights, and more broadly the International Bill of Human Rights and subsequent treaties.*" (Wettstein et al. 2019: 54) It is important to note that human rights are valid across state lines and trump national laws. Moreover, the welfare gains for some cannot be the reason to disregard the human rights of others. (Wettstein et al. 2019: 58) I believe this is especially important in neo-colonial dependency structures such as South-North supplier relationships in which the needs and economic gains of the West are often put above the human rights of the suppliers in the Global South. Policies such as the UNs Sustainable Development Goals' (SDGs) aim at combating these dependency structures through sustainable development by eliminating grand challenges such as gender equality, the elimination of child labour, and peace (Wettstein et al. 2019: 54).

Nowadays, BHR informs such issues connected to both human rights as well as the neo-colonial system such as modern slavery and human trafficking, business in war zones and conflict areas, employee relations and labour conditions, access to food, water and healthcare, and taxation (Wettstein et al. 2019: 56). The latter is a huge challenge for countries in the Global South as the following numbers demonstrate. Annually, countries in the Global South receive approximately 120 billion US dollars in foreign aid. In the same time frame they lose between 858 billion and 1 trillion US dollars to illicit financial outflows through criminal activities such as corruption and tax evasion or avoidance. Instead of funding community development (e.g. upgrading of education, healthcare, and transportation systems, establishing of pension schemes, and housing opportunities) and reducing poverty in the Global South, this wealth flows back to the former colonial powers in the West facilitated by MNEs. (Otusanya 2014: 30)

Due to the often similar topics in question, firms often do not differentiate between CSR and BHR and see CSR practices as complying with human rights. However, human rights and CSR do differ from the different starting point for reflections to the extent of perceived responsibilities. (Wettstein et al. 2019: 57) One of the biggest differences, however, is that

> "CSR has often been perceived as voluntary or optional, as praiseworthy behaviour and goodwill beyond the call of duty. The respect and promotion of human rights, in contrast, is not understood as a voluntary, discretionary or subjective matter."
>
> (Wettstein et al. 2019: 57)

Critiques of CSR criticise this approach and think companies should be responsible for the protection of human rights (Wettstein et al. 2019: 56). Furthermore, they call for these responsibilities to be enforced through laws rather than being optional. Additionally, recognizing the difference between the two and putting in place human-rights due diligence processes and specific policies, leads to companies that identify and prevent harmful human rights impacts more often than others (Wettstein et al. 2019: 58). This will be even more important in future years with the rise of digital technologies and AI (Wettstein et al. 2019: 61) since these advancements could reinforce the existing power imbalance. However, they will also make the traceability of materials easier, which has a positive effect on human rights and CSR practices (see Fountain/Hütz-Adams 2022; tonyschocolonely.com n. d. b; Wettstein et al. 2019: 61).

All in all, CSR reflects some of the power structures in the neo-colonial world order such as agency, decision making power, and financial gains staying with the West. Human rights on the other hand are a much more universal approach and BHR have a greater potential to make the GVN more sustainable than CSR.

Part II. EMPIRICAL RESEARCH

Part II of my thesis brings together my analysis of the interview transcripts and the documentation “Golden Seeds”, information from Tony’s Chocolonely’s website, the 2022 Cocoa Barometer, and secondary literature. Since I see the interviewed farmers as experts on the cocoa trade, I will not only use the information from the interviews in the results chapter but also as support of the secondary literature in chapter V. “Exploring the Case”.

To begin with, I start by exploring the different facets of my case study narrowing the field from the Ghanaian cocoa trade to the local actors, and the case firm Tony’s Chocolonely. I then discuss the CSR issues I identified in the transcripts and film and embed them in the issues raised in the Cocoa Barometer and other relevant literature, before reflecting on Tony’s CSR goals and practises.

V. Exploring the Case

As described above, this chapter is aimed at explaining the Ghanaian cocoa trade, the local partners of Western Firms and their own interconnectedness, and the case study firm itself.

Thereby, the colonial past of the cocoa trade is highlighted and the global cocoa trade is described in short. A special focus is laid on the price setting mechanism in Ghana since it differs from other cocoa producing countries and the cocoa price is seen as a root cause for other CSR challenges (see Fountain/Hütz-Adams 2022; Maile 2020; Mühlleitner 2020).

While some of the actors involved in the cocoa trade are of course introduced in the first subchapter, the second one aims at describing them in more detail and give an overview on the different cooperatives and associations the interview partners mention. Moreover, the importance of farmers cooperatives is discussed and one of Tony Chocolonely’s oldest partner associations ABOCFA is described.

Lastly, Tony Chocolonely as the firm of my case study is introduced and described in detail using information from their websites but also from secondary literature and newspaper articles. While the origin story of the company, its ownership and management structure, and economic performance are discussed, the main focus lays on detailing their CSR goals and practices since those are my main research interest.

a. The Ghanaian Cocoa Trade

When analysing current situations, it is important to understand the historical and social context oft said situation (Lokot 2022: 5). In my case, this means looking at the history of the global and Ghanaian cocoa trade and understanding the implications it has on the cocoa production communities today. Therefore, this chapter will begin with the history of cocoa production, consumption, and colonialisation before looking at the cocoa GVN in detail, and then discuss the price setting mechanism.

i. Cocoa History

Generally speaking, cocoa trees can only be grown along the "cocoa belt" approximate to the equator as seen in the figure below. The area selectiveness is due to the trees' needs of a constant average temperature between 24 and 28 degrees Celsius and nutrient-rich soil. Moreover, at least 1500mm of annual rainfall throughout the year as well as a humidity level of 80 to 90% is necessary. (Hütz-Adams et al. 2016: 6)

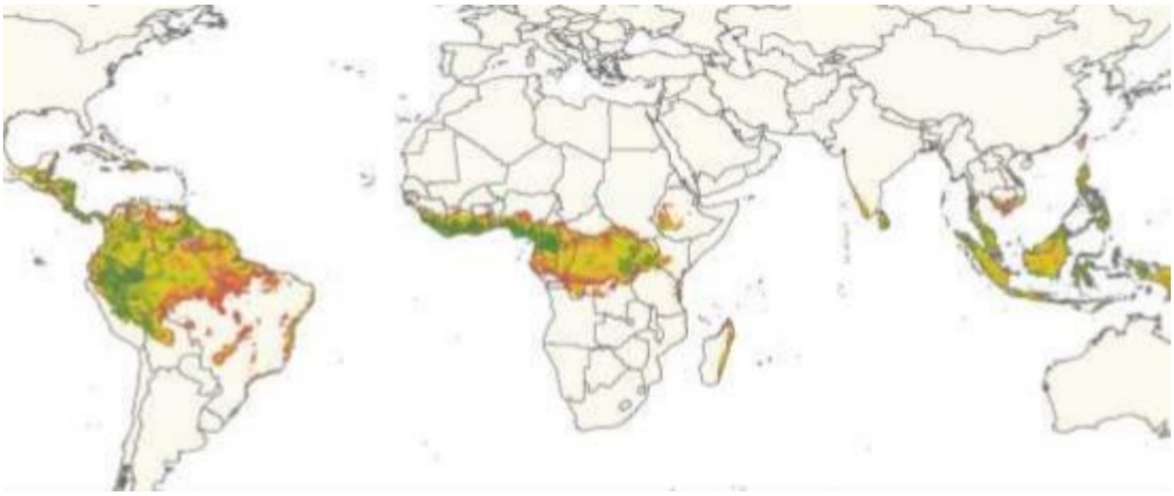

Fig. 3: Cocoa suitability score (Bunn et al. 2018) = low = middle = high

While cocoa is now grown in all the highlighted areas on the map, it originated from Central America, where it was cultivated since approximately 1200 B. C. by the Olmec before the Mayas started cocoa plantations around 600 A. D. (Dand 2011: 2). The Aztecs in the early 16th century then started making a drink called "*Chocolatl*" from cocoa grown and harvested from plantation areas in Northern Central America and Central as well as Western Amazonia (nowadays northern part of South America) (Ofosu-Asare 2011: 163-165). From there, in 1521 the colonizing Spanish Conquistador Hernan Cortes took dried cocoa beans back to Spain and

to other colonized islands in the Caribbean, off the West African coast, and Indonesia (Dand 2011: 3), for both production as well as using the cocoa trade and production as a revenue of tax collection (Poelmans/Swinnen 2016: 14).
In the following two centuries ($17^{th}/18^{th}$) the chocolate production and consumption in Europe increased steadily through "Chocolate Houses" selling "*Chocolatl*" (Ofosu-Asare 2011: 168) as well as diversifying chocolate products. As production areas moved to England, France, Switzerland, the Netherlands, and the United States, the industrialization shifted production from manual to mechanical grinding in the 19^{th} century. This development and the shift to extracting cocoa powder from processed cocoa before mixing it with water in 1828, turned chocolate beverages into a mass product. Soon after (1847) chocolate bars and milk chocolate (1875) came on the market. With the chocolate expansion, the production chain quickly split into two steps: the processing of cocoa beans and the chocolate production from the resulting cocoa products, which is still prevalent in today's cocoa value network. (Dand 2011: 10; Poelmans/Swinnen 2016: 14).
This overview on the spread of chocolate consumption also translates into the quantity of cocoa produced for which data is available since 1840. In the following 40 years, the annual cocoa production increased by 120% from 14 000 tons to 31 000 tons globally and reached a total of 672 000 tons in 1930. (Maile 2020: 28) This stark increase is also referred to as "the great chocolate boom" (Clarence-Smith 2016: 58) and was caused by chocolate demand created by Western industrial workers. Cheaper means of transportation only fostered more consumption. To keep up with European demands, the production had to expand significantly. To do so, and to decrease the distance between production and consumption, production shifted from mainly being situated in South and Central America, to the increased colonisation and forced cocoa production in West Africa from the late 1800s onwards (Maile 2020: 30). This development was in favour of the British and French colonists who hoped to cash in on the increasing cocoa market by growing cocoa in West Africa for European consumption.
The following figure displays the progression of production percentages per region from the earlies records on in 1840 until 2016. It clearly shows how cocoa production in Africa surpassed Central American rates between 1920 and 1930 and has been the main producer since.

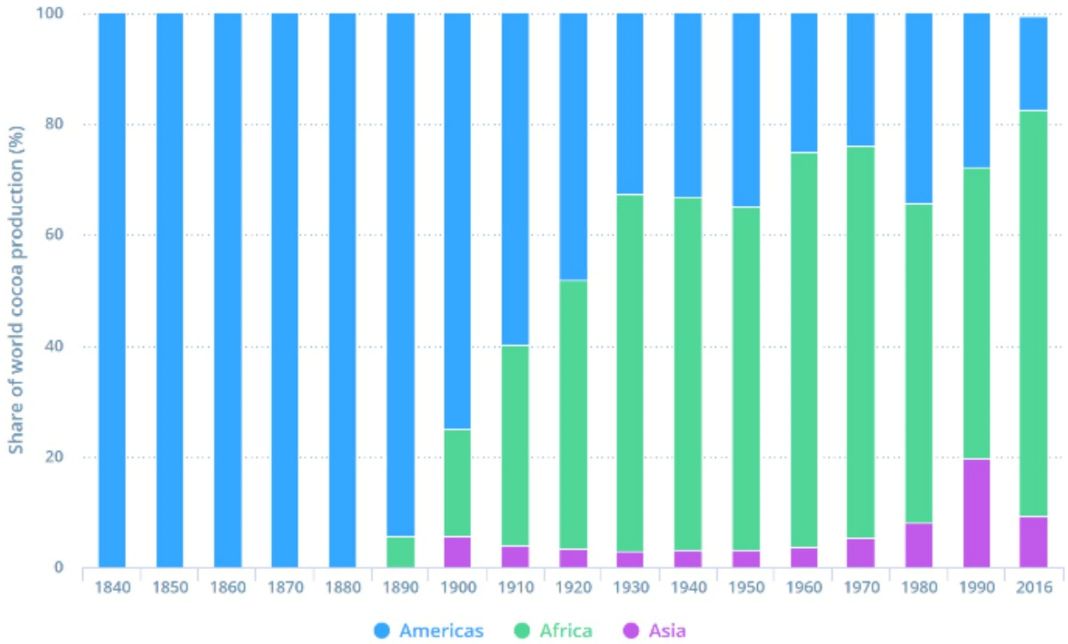

Fig. 4: Share of cocoa production per region (in %), 1840-2016 (Dand 2011)

Thereby, the first West African islands colonizers used for their cocoa production were Sao Tomé and Principe (Ahlemann 2019: 23; Dand 2011: 16). Not long after the "Scramble for Africa" during which Ghana was occupied by the British empire in 1878 and Côte d'Ivoire became a French colony in 1893 (Ofosu-Asare 2011: 174), the Gold Coast (as Ghana was referred to before independency) and Côte d'Ivoire became cocoa exporting countries in 1891 (Kay 1972: 242) and 1880 respectively (Zeller 1969: 34). However, these dates are disputed with Dand (2011: 16) putting the introduction of cocoa in Ghana into the year 1879 and Côte d'Ivoire as late as 1919. The latter would make sense as it is after the colonisation of the country. Other parts of West Africa, such as parts of Nigeria as we know it today (1886) and Cameroon (1884), were also colonized by Great Britain and Germany but played a lesser role in the West African cocoa production (Ofosu-Asare 2011: 174).

The following figure shows the progression of cocoa production rates of the most important production areas mentioned above, namely Ghana, Côte d'Ivoire, Nigeria, Cameroon, Latin America, and Asia. The graphs show the increasing importance of Africa as a producing region and how Côte d'Ivoire overtook Ghana as the highest producing country in 1976 (see also Maile 2020: 31).

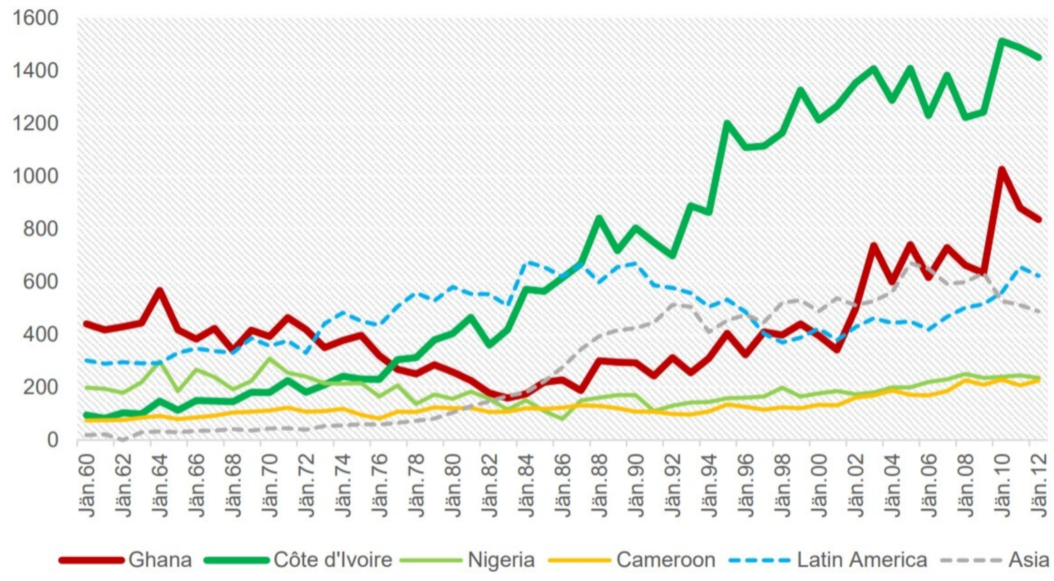

Fig. 5: Cocoa production in important producing areas 1906-2012 (Maile 2020: 31)

Since my thesis is focused on Ghana, the next figure takes a closer look at the cocoa production rates in Ghana between 1960 and 2012. Therefore, the data starts shortly after independence (1957) and includes the area of the cocoa sector liberation in 1992. The history of the cocoa sector until independence and the influence on nowadays Ghana are discussed below.

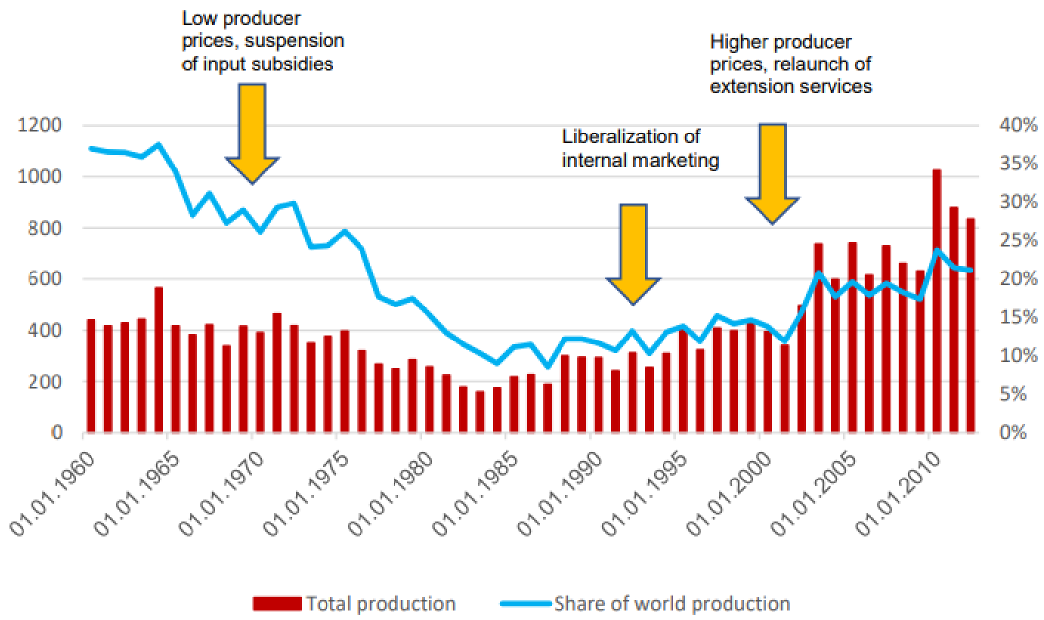

Fig. 6: Ghana’s annual cocoa production (in 1000 tons) and share of world production (in %), 1960-2012 (Maile 2020: 50)

In 2018, nine percent of Ghana’s export was made up by cocoa beans and an additional 23% stem from semi-finished cocoa (e.g. origin grinding) (ICCO 2019: 14). From a financial standpoint, annually, this totals to twelve percent of Ghana's export earnings. More than half of the cocoa (53%) in 2015/2016 was sold to the European Union, 27% to Asia and 11% to North America (COCOBOD 2016: 9). Other exports such as Gold and Crude Oil in comparison account for 49% and 23% respectively. (Maile 2020: 49) These numbers are all still influenced by the colonial history of West Africa.

The colonialisation, and especially the design to focus on urban centres of West Africa has had a long lasting effect on the current resource distribution, society, and circumstances of the region (Crowder 1968). The cruelty and injustice of and during the colonial occupation were often justified with untrue, racist paradigms such as "the white man's burden" that refers to the believed inferiority of African people and their alleged inability to build and rule their own societies. (Ahlemann 2019: 25)

Before their occupation by the West, Ghana was made up of multiple chieftaincies. Each chief centrally governed and was responsible for an internally homogenous (in terms of ethnicity and language) population within the heterogenous Ghana. (Mahoney 2010: 25) These chiefdoms and the inherent social structures, however, were subsequentially misused by colonial powers to suppress and micromanage the local population (Mahoney 2010: 25). Especially the British rulers used the existing decentralised system to further fragment the West African people and rule them indirectly through traditional authorities (Maclean 2002: 73). According to Ahlemann (2019: 24) the purpose thereof was to "*[...] establish de-centralized, self-sufficient administrative entities which would minimize the attention and resources they would have to dedicate to the local administration of their global empire.*" (Ahlemann 2019: 24) Under the British colonial law, the Ashanti bureaucrats put in charge as local chiefs were, amongst other purposes, used to collect taxes, enforce policies on a local level, and acquire labour (Ahlemann 2019: 24).

Despite the stark influence of the Brits, the chiefs managed to keep control over land distribution and acquisition making "*tropical forestland depended on local customs and colonial policies*" (Woods 2004: 227). This influenced the social structure of the cocoa farming community lastingly. Especially the Ashanti chiefs' reluctance to let migrants own farmland (Woods 2004: 227) split Ghana's cocoa farmers into three separate social classes depending on their land access and ownership (Ahlemann 2019: 28). According to Kolavalli and Vigneri (2011: 202) cocoa producers were now differentiated into groups of land-owning farmers, peasants, and labourers..

However, while the British colonizers did not have direct control over land distribution, they found other ways to exploit the Ghanaian population. For instance, taxes were on one hand used to build infrastructure both in the UK as well as the colonies, which benefited the Crown, and to finance the administration within the colonies. On the other hand, the inability to pay taxes was used to justify forced labour and increase productivity, which again only benefited the colonizing agents. (Ahlemann 2019; Crowder 1968; Konadu-Agymang/Adanu 2003; Maclean 2002; Taylor 2016) One such benefit was the access to cheap inputs such as cocoa, palm oil, coffee, sugarcane, and rubber. The low commodity price was ensured by using forced and underpaid labour in the colonies (Crowder 1968), another aspect that translated directly into the current day cocoa production chain.

Moreover, colonial rule made sure to put the interests of the West before the ones of the Global South leaving the former with more influence on policies regarding the South-North relationships (Ahlemann 2019: 25). This not only influenced the distribution of fundamental agro-inputs, labour, and land during colonial times but also the access to power-creating resources like money, weaponry, and military (Ahlemann 2019: 26). These circumstances, together with the availability of cheap or free (forced) labour, other inputs, and credits as well as the huge market for end-products that colonies opened, eased the emergence of multinational trading companies. (Carlos/Nicholas 1988: 404 ff). These multinational trading companies used the colonial power structure, their competitive advantage, and access to financial inputs to create a monopoly on the market and rig cocoa prices. This was possible because of the high financial requirements to enter the cocoa supply network during colonial times. Moreover, if any competitiveness developed, "*[...] the limited number of potential buyers enabled them to agree upon the price they would pay to the African producers or sellers of that commodity, amongst one another.*" (Ahlemann 2019: 38)

Despite Ghana's independence in 1957, many of the established corporate agents like Cadbury (the biggest British cocoa processing firm) manage to keep their economic power and profitability within the post-colonial cocoa sector. For this reason, the largest cocoa trading as well as processing firms today are European or North American. (Ahlemann 2019: 32)

The structure and agents of the Ghanaian cocoa GVN are now going to be discussed in the subchapter below.

ii. The Ghanaian Cocoa Production Network

Cacao plays a central role in Ghana's export market as discussed above and therefore is of interest to the government. Before the sectors liberalization in 1992, COCOBOD as a government agent controlled all domestic cocoa operations through different subsidiaries.

These include the Produce Buying Company (PBC) buying cocoa directly from farmers, the Quality Control Division (QCD) monitoring cocoa quality at all nodes along the domestic chain, and the Cocoa Marketing Company (CMC) responsible for all exports. (Vigneri/Santos 2009: 5) Despite losing their complete and exclusive control over domestic and international cocoa exports after the liberalization of the cocoa sector in the early 1990s, the Ghanaian government retained a strong presence. Unlike in other cocoa producing nations, the Ghanaian cocoa sector is a combination of private and governmental actors, making it a unique setup within the industry. (Barrientos/Asenso-Okyere 2009; Laven et al. 2016; Vigneri/Santos 2009: 3)

Globally, the cocoa GVN is unevenly balanced in terms of numbers as it has a highly fragmented production base (approximately five million smallholding cocoa farmers) on one side and only a few processors (grinders and traders) and manufacturers on the other (Fold/Neilson 2016). When it comes to market shares, the share however is the other way around with Western chocolate processors and manufacturers making up the majority of shareholders (Oomes et al. 2016).

The figure below depicts the Ghanaian cocoa value chain, the value distribution within it, and the most important production steps for each actor. These are then discussed below with a strong focus on the roles of Ghanian actors and a brief overview of steps after the cocoa has been exported.

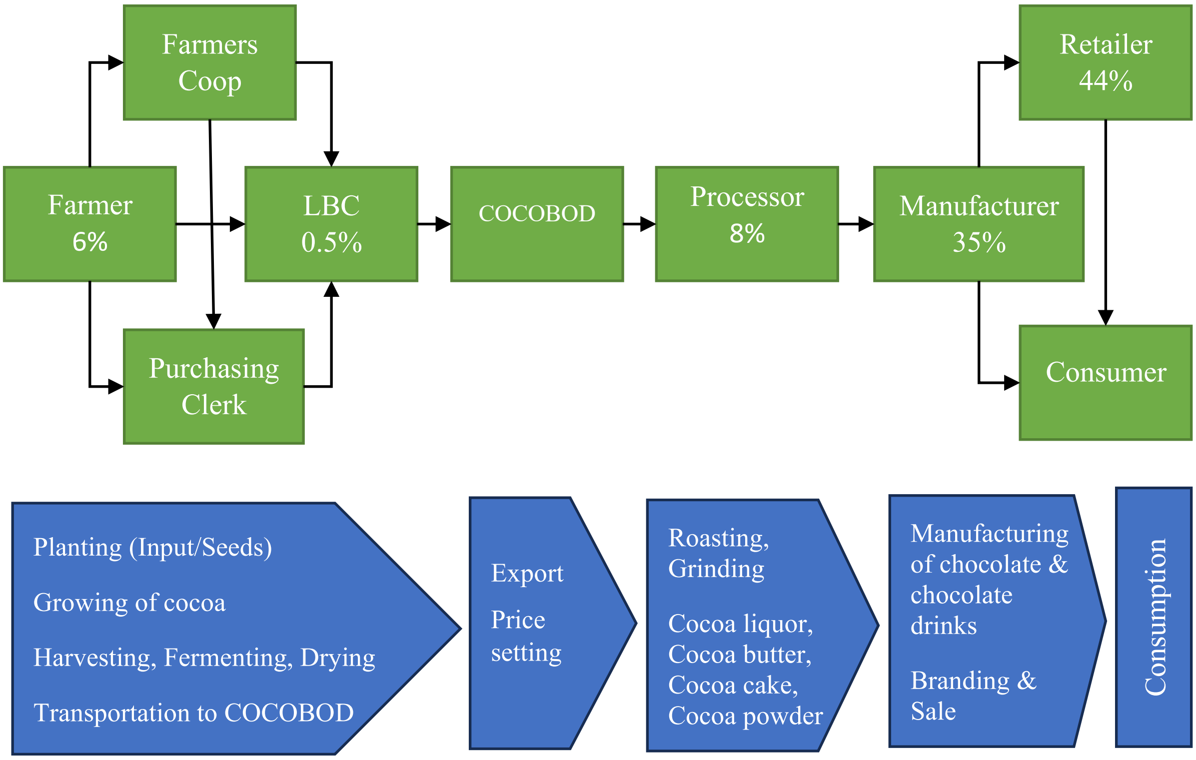

Fig. 7: Actors, value distribution (in% of revenue on finished chocolate product), and main production steps (author, based on Maile 2020: 33)

Within Ghana, the most important actors of the domestic supply network, are the farmers, Licenced Buying Companies (LBCs), and COCOBOD (see also Vigneri/Santos 2009: 4). Thereby, as the flowchart of the cocoa GVN above shows, the production of chocolate products begins with the cultivation of cocoa trees by farmers in the cocoa growing areas. Worldwide, 85% (Ahlemann 2019: 35) to 90% (Fold/Neilson 2016: 197) are smallholding farmers. This amounts to around five million cocoa farmers who produce cocoa on less than two hectares of land.

Fountain and Hütz-Adams (2022: 14) based on company data they collected estimate the yield of Ghanaian small-scale farmers to be 534kg per hectare. However, they believe that these numbers are on the higher side since they stem from farmers connected to company programmes. Those farmers are often better equipped to produce higher yields due to their access to inputs, training, and credit through sustainability programmes. For the average farmer, 350kg per hectare are a more realistic estimate. (Fountain/Hütz-Adams 2022: 14) Maile (2020: 34) too puts the average yield around 500kg per hectare and adds that farmers output has not seen a significant increase since the 1990s.

The farmers' main task is the growing of cocoa trees with inputs such as seeds, fertilizers, and pesticides. On average, cocoa trees only produce fruits after three to five years (I8). After that, the trees produce their highest yields until about year ten and experience a drastic decrease in productivity after year twenty (Hütz-Adams et al. 2016: 6). Farmers then harvest the cocoa pods, open them up using machetes, and ferment and dry the 30 to 40 cocoa beans inside each pod in order to bring out the typical chocolate taste (Alberts/Cidell 2016: 126). Then they are sold to purchasing clerks (PCs) or local buying companies from where they are either sold to international traders or domestic or foreign processors (Maile 2020: 33). Sometimes, farmers cooperatives collectively sell their cocoa. However, only one in five farmers is organized albeit the government's efforts to increase these numbers. NGOs and Western Companies too encourage farmers to join or form cooperatives in order to provide them with better support. (Hütz-Adams et al. 2016: 13) More information about farmers cooperatives will be discussed in the chapter V.b. "The Partners".

On a global scale, the main producing countries in the current cocoa sector (2020/2021) are by far Côte d'Ivoire (43%) and Ghana (20%), who produce almost two thirds of the world's cocoa. The countries with the next highest production rates in Africa are Nigeria and Cameroon (6% each), and Latin American countries such as Ecuador (7%) and Brazil (4%). In Asia, Indonesia (3%) is the biggest cocoa producing country and Papua New Guinea (1%) is the biggest producer of Oceania. The remaining ten percent are made up of various smaller production countries, each producing less than one percent of global cocoa.

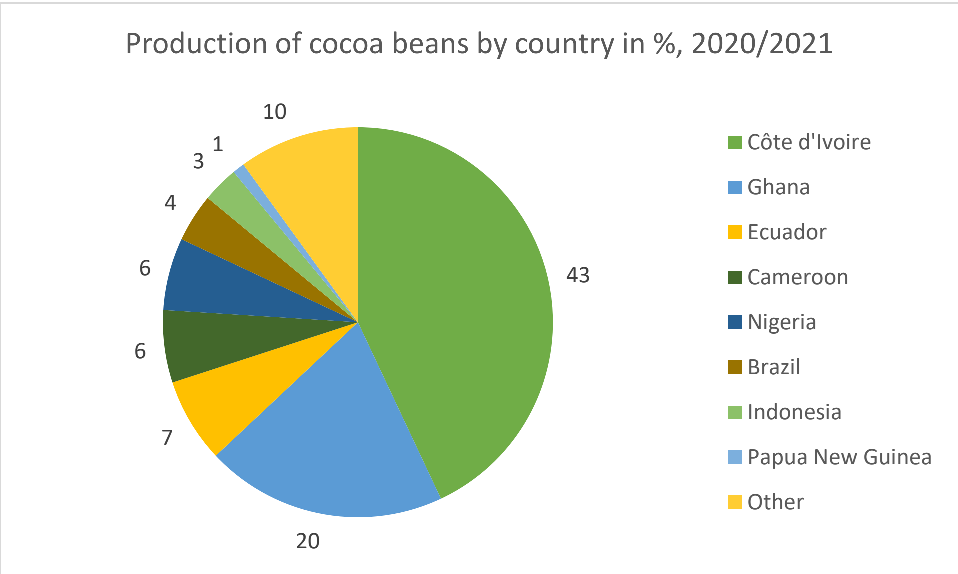

Fig. 8: Production of cocoa beans by country in %, 2020/2021 (author, based on kakoaplattform.ch n. d.)

The produced cocoa is collected by PCs stationed at one of the approximately 3000 buying stations spread across Ghana's cocoa producing areas from where the beans are brought to the LBCs (Maile 2020: 50). These PCs are agents of LBCs and have a certain bargaining power both towards farmers and the LBCs. This is because LBCs are legally bound to only deliver beans during the two harvesting seasons, the main one between fall and spring and the second, smaller one in the middle of summer. Therefore, PCs buy crop that has been harvested in-between seasons at a cheaper price and charge farmers to store the beans so that they can be transported by the LBCs during the next harvesting season. (Van Huellen 2015: 271f)
Once the cocoa has been harvested or collected by PCs, it is sold to a Licenced Buying Company (Vigneri/Santos 2009: 8). LBCs are, broadly spoken, intermediaries between farmers and the CMC belonging to COCOBOD.
What first began with a single state backed Produce Buying Company active in all producing areas that assured all farmers could sell their cocoa after the privatisation of the cocoa trade in the early 1990s, soon turned into a branch of numerous, private local and international intermediaries (Vigneri/Santos 2009: 6). Maile (2020: 51) adds that while PBC is still the largest internal trader, there are now 41 LBCs active in Ghana. Such private LBCs are for instance Kuapa Kokoo (uniquely operating with Fairtrade standards; see Vigneri/Santos 2009: 6), Jumapa, Jajira Global Limited, Cocoa Abrabopa Association, Transroyal Ghana Limited, Olam (Singapore based) and Amajaro (British owned) (I1; I4; I7; I8; Vigneri/Santos 2009: 6).

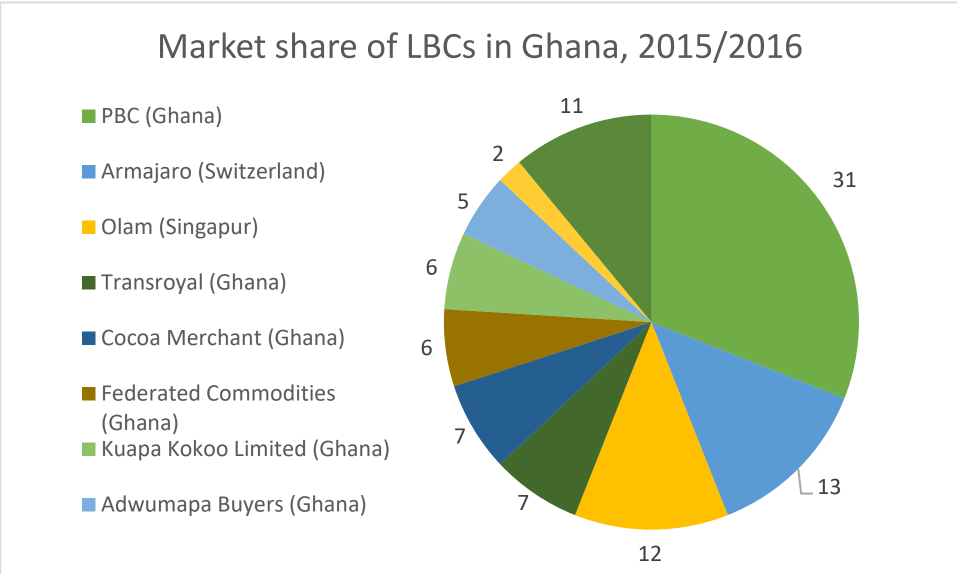

Fig. 9: Market share of LBCs in Ghana, 2016/2016 (author, based on COCOBOD 2016)

The companies get their license to purchase cocoa from farmers issued by COCOBOD, who partly finances the local businesses through loans at the beginning of the cocoa season (Maile 2020: 51; Vigneri/Santos 2009: 5f). Internationally owned LBCs on the other hand do not

receive these credits and are not dependent on them. Hence, they might have a competitive advantage due to their access to foreign capital (Vigneri/Santos 2009: 6).
With all these LBCs present in Ghana, a distribution pattern of them throughout the country can be observed. Areas with higher total cocoa production rates (for instance Western Sefwi) are also areas with a higher concentration of different LBCs showing a positive correlation between the two factors. (Vigneri/Santos 2009: 11) The reason therefore most likely lies in the following tasks of licenced buying companies.
One of their tasks is to buy the cocoa directly from farmers and deliver it to the Cocoa Marketing Board of COCOBOD. For their work, the LBCs then receive a cut of the profit. (I2; I11) This also means, that Western cocoa buyers do not have direct contact with the farmers but with the LBC unless they themselves become LBCs (I7). An example thereof would be Cargill, an American firm with an LBC that can now interact directly with Ghanaian farmers cooperatives. Nevertheless, they still have to go through COCOBOD in order to export. (I2)
Another task of LBCs besides simply buying cocoa and deliver it to COCOBO, is to act as a match maker between chocolate companies and farmers. If a company is in search for cocoa with a certain certification (e.g. Fairtrade, UTZ, organic, conventional), the LBC will use their resources to find sellers for that specific kind of cocoa and connect them to the firm. They will then facilitate the signing of a contract with COCOBOD for them to sell the cocoa to the company. (I2)
Moreover, LBCs also act as a point of quality control. When they buy the cocoa from the farmers, they make sure that it is well dried and of good fermentation quality. If that is not the case, they either do not buy it, or redry it and pay the farmer a lesser price. (I2; I4)
Generally, farmers can choose freely to which LBC they want to sell their cocoa (I10) since they do not use legally binding contracts to tie farmers to a certain LBC (I8). However, certain certificates bind LBCs to buying specifically certified cocoa and cooperatives support that notion by advising their members to sell to a single LBC for the sake of traceability and access to support (I10).
Moreover, farmers have realised that selling to a single LBC as a cooperative is beneficial to them due to the reduced cost for an individual farmer (I10). Moreover, given that farmers are always paid the minimum farm gate price despite the assumed competitiveness of the LBC-business, LBCs seem to not compete with a price strategy. This makes Ghana’s cocoa marketing system unique (Vigneri/Santos 2009: 12), since even the liberalisation of the cocoa sector in 1992 brought barely any (expected) price competition.

Rather, the farmers choose an LBC based on their non-price incentives the LBCs offer to the farmers (I10; Vigneri/Santos 2009: 10). Such incentives can be the availability of credit schemes with competitive rates (I10; Vigneri/Santos 2009: 6), free inputs such as seeds (I1), or credit-financed inputs like "*fertilizers, spraying machines, protective gear, fungicide and insecticide*." (I10) Moreover, some LBCs will pay an additional bonus, apart from the government bonus, after the season if farmers stay with the company (I1; I4). This additional income is another, meaningful reason for farmers to choose one LBC over others (Vigneri/Santos 2009: 10). Other LBCs invest part of the profits in community development projects (I10).

Other important reasons mentioned for choosing to work with a specific LBC were the long term partnership and feeling of commitment (I4; Vigneri/Santos 2009: 16), as well as the immediacy of payment – the faster payment is received the more likely an LBC is chosen since access to money is highly valued and necessary to pay hired labourers (I5). Thereby, a further distinction is made based on whether the LBC pays in cash or with a check, with cash being the preferred option (Vigneri/Santos 2009: 10). This is due to the difficulties associated with cashing in farmers checks based on the absence of rural banks and local credit institutes not accepting the checks (Vigneri/Santos 2009: 11). Moreover, when it comes to government checks for farmers some distributing agents would use the checks, withdraw the money, and take a part of it before paying the farmers (I1).

Cash access however is important to make sure all production steps can happen on time. This includes the spraying of pesticides, applying fertilizer, weeding, and harvesting. All those activities demand inputs or additional labour. Since farmers usually experience serious liquidity constraints, being paid immediately and in cash is a deciding factor for many farmers but especially younger ones, recent migrants, or less educated farmers who are more often affected by cash and the connected productivity constrictions. Hence, those activities cause farmers to go into debt. (Vigneri/Santos 2009: 13) Therefore, competition between LBCs is driven by their focus on relieving cash constraints for farmers with a focus on those who have less resources available to them. These farmers are also more willing to sell to different LBCs. (Vigneri/Santos 2009: 16) Though, farmers usually do not sell to more than two LBCs at the same time and the government affiliated PBC is still a viable option for many due to their reputation of being reliable. This is especially important in light of farmers' mistrust for LBCs due to accusations of scales being rigged and PCs pressuring farmers into selling under-fermented and wet cocoa beans for higher loads. (Vigneri/Santos 2009: 12)

After buying it, the LBCs then transport the bought cocoa to one of the three ports and give the beans to Ghana's CMC, a subsidiary of COCOBOD and the only licensed exporter of cocoa in Ghana. They either sell the beans to international or domestic processers. (Maile 2020: 50) The position of being the only exporter shows how COCOBOD kept a strong position within Ghana's cocoa supply chain after its liberation in the early 1990s. However, COCOBOD is not only responsible for exports but also quality control through QCD to ensure it stays up to the high standard Ghanaian cocoa is known for globally. (Vigneri/Santos 2009: 5)

Besides quality, COCOBOD has subsidiaries focused on research in order to increase productivity. These institutions are for instance the Cocoa Research Institute of Ghana (CRIG) and the Seed Production Division (SPD), who work together to inform the Cocoa Health and Extension Division (CHED). While CRIG has laid their research focus on crop varieties, fertilizers, and pest and tree disease management, the SPD "[…] *produces cocoa tree seeds for the replantation o[n] cocoa farms.*" (Hütz-Adams et al. 2016: 26). The findings of both institutes then come together under the CHED who brings the knowledge directly to the farmers through extension officers. These officers are delegates in cocoa villages and conduct technical as well as managerial training to local farmers. (Hütz-Adams et al. 2016: 26f) CHED additionally supplies farmers with free or 50% subsidized inputs (e.g. fertilizer and seeds) and sprays pesticides and/or insecticides twice a year (Maile 2020: 53).

Moreover, the Ghanaian government is a key player in the cocoa price setting mechanism (Maile 2020: 53) as discussed in the next subchapter.

Now however, I would like to circle back to the export through CMC and give a short overview on cocoa processing, manufacturing, and consumption. As the figure below shows, a big part of global cocoa beans are processed outside of the producing countries. This is due to the capital-intensiveness of the grinding process. In 2015, around 65% of cocoa was ground by only three grinding companies: Olam International, Cargill, and Barry Callebaut. (Hütz-Adams 2018: 6)

In regards to the geographic location of cocoa grinding companies, the figure below shows that by 2020/2021 12% of cocoa is processed in the Netherlands, mostly in Zaanstreek close to Amsterdam (see Fold/Neilson 2016: 198). Other important grinding countries are Indonesia (10%), Germany (9%), the United States (8%), Malaysia (7%), and Ghana and Côte d'Ivoire with 6% (kakaoaplattform.ch n. d.).

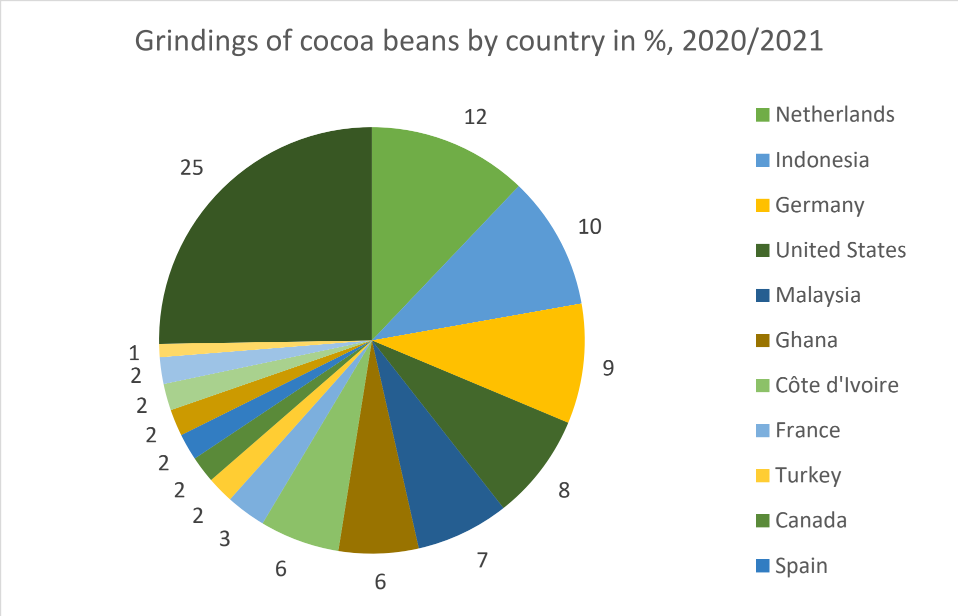

Fig. 10: Grindings of cocoa beans by country in %, 2020/2021 (author, based on kakoaplattform.ch n. d.)

When it comes to chocolate producers, the manufacturing is even more centralised in the West than the grinding process and most of them are big food corporations such as US-based Mars Inc and Mondelez International (Fold/Neilson 2016: 202). The figure below shows that at least 76% of cocoa is manufactured in the Western consuming countries or new emerging chocolate end markets such as Japan (Neilson et al. 2018: 408).

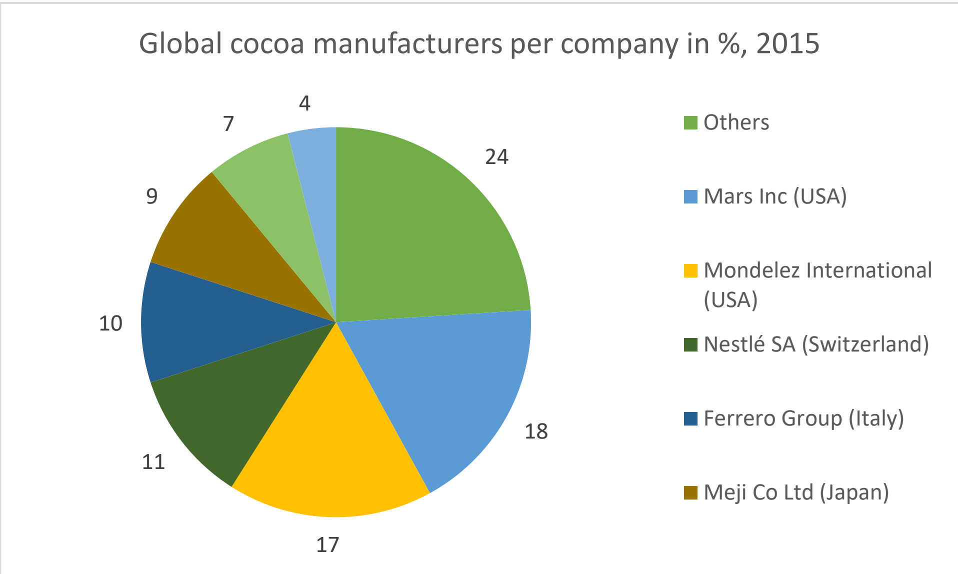

Fig. 11: Global cocoa manufacturers per company in %, 2015 (author, based on Hütz-Adams 2018)

From these manufacturing companies, the products are either sold to costumers directly or to retail companies. The latter makes up 70% of total sales in the West and is therefore the major sales channel. (Maile 2020: 37)

In contrast to the cocoa producing areas, much like processing and manufacturing, the consumption of cocoa products are mainly located in the West. Thereby, the US consumes almost a fifth of all cocoa-based products. Germany, France, and the UK are the biggest consumer countries in the EU. The only cocoa growing country with a relatively large consumption rate is Brazil with 5% of global consumption. (see Hütz-Adams et al. 2016: 7)

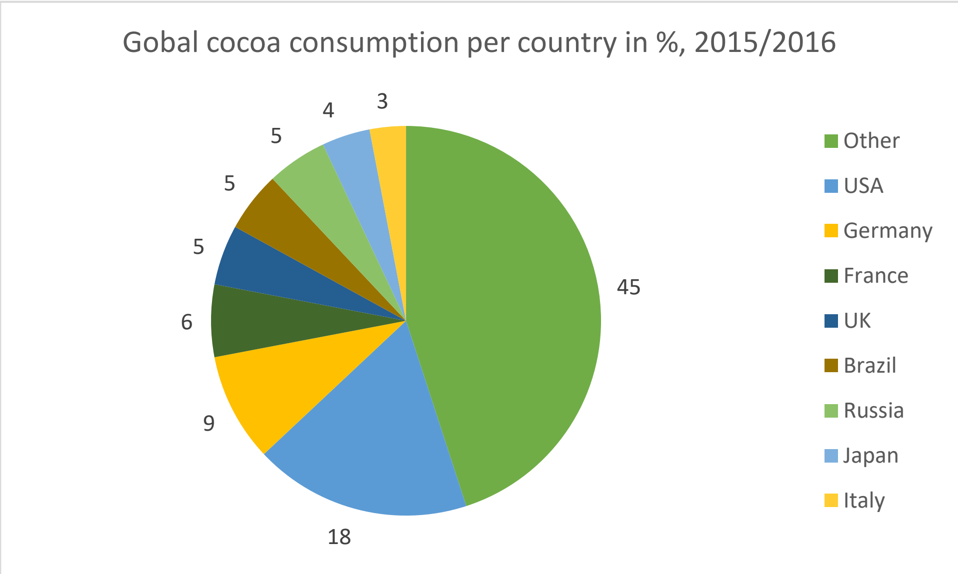

Fig. 12: Global cocoa consumption by country in %, 2020/2021 (author, based on Hütz-Adams 2018)

iii. Ghana's Cocoa Price Setting Mechanism

Farmer incomes are directly dependent on the farm gate price, which is set by the Ghanaian government. There are, however, different mechanisms at play, which are discussed in this subchapter.

To begin with, throughout the cocoa GVN described in the previous chapter, the actors of different GVN-stages pay and are paid different prices. These range from the farm gate price the farmers receive for their dried and fermented cocoa to the retail price consumers pay for the finished cocoa or chocolate product. (Maile 2020: 37)

As the indicative price for the whole GVN, the price for unprocessed cocoa beans, however, is not determined by the farmers producing it (John 00:11:40). Rather, commodity derivative markets, such as the Intercontinental Exchange (ICE) US in New York affecting the Asian and Latin cocoa market, and the ICE Europe in London with its influence on the West African cocoa sector, are the main influencers on the global cocoa bean price (Gilbert 2016: 309). This is due to their exchange of cocoa futures among other commodities such as coffee and wheat. These futures act as contracts for sellers and buyers, who both promise to either sell or buy a certain amount of cocoa beans for a set price at a given time in the future. (Maile 2020: 37f) Yet it is important to note, that these trades do not involve any physical products. Though, they are used as the basis for price negotiations in the physical market because standardized futures are a way to make the price setting process more transparent. (Oomes et al. 2016: 31)

As an additional frame of reference, daily indicator prices have been calculated by ICCO since 1960 (Gilbert 2016: 309) "*[...] by combining the average of the quotations for the nearest three trading delivery dates on both futures markets, creating a 'cocoa world price'.*" (Maile 2020: 38) While this calculation is hardly valid for cocoa farmers due to the disregard of currency exchange rates, it can be used to show long term price trends (Maile 2020: 40).

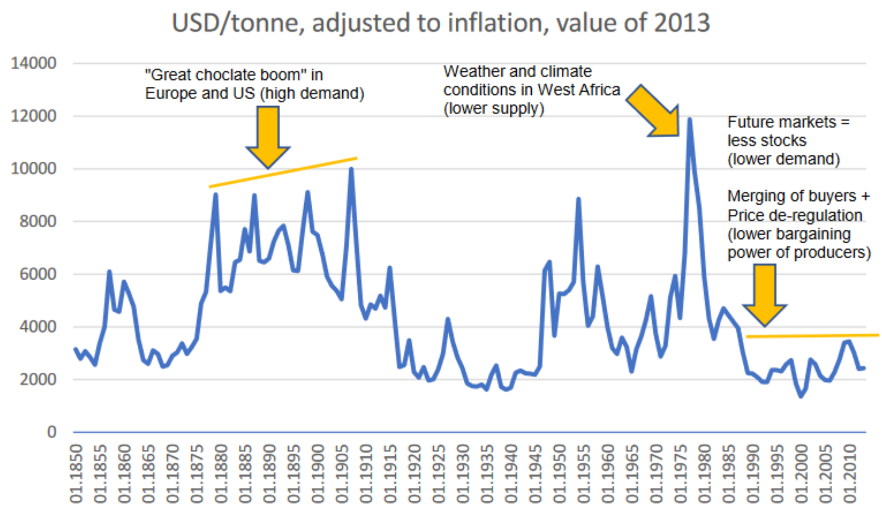

Fig. 13: Cocoa price in USD/t, adjusted to inflation, 2013 (Maile 2020: 40)

The figure above now shows the world cocoa price in US dollars per tonne. For the sake of comparison, it was adjusted to the inflation over the years. In 2013, the cocoa price was roughly at the same level as it was in the 1850s when the cocoa documentation started. Moreover, two price peaks can be seen during the time cocoa and chocolate first became popular in the West just before World War I and in the postwar period following World War II until the 1980s. The highest price was recorded in 1907 with 10 000 USD per tonne (Gilbert 2016: 320) but fell drastically due to the decreasing global demand during both World Wars (Maile 2020: 39). The second price drop in the early 1990s can be attributed to the liberation of the cocoa sector, which eliminated the control through governmental marketing boards in West Africa, and ICCO no longer regulated the international cocoa prices further weakening the producers' bargaining power. In comparison to the 10 000 USD/t high cocoa experienced in 1907, it has been steadily low between 2000 and 3000 USD/t since the 1990s. (Maile 2020: 40)

The dependence of the farm gate price on the world market price indicate that the farmers' income and prices in the physical market are increasingly impacted by the interests of non-commercial actors (see Maile 2020: 41). This is because of the rising numbers in future trading since the mid-1980s (Ohemeng et al. 2016) due to which non-commercial actors gained influence. Their involvement leads to price volatility and distortion since speculators have no medium- or long-term interest in physically available cocoa (the cocoa future volume traded is ten times the amount) but rather follow their own financial interests. (Hütz-Adams et al. 2016: 16; Maile 2020: 41; Oomes et al. 2016: 31) Furthermore, some investors have mixed commodity investments in which the events affecting one commodity, affects the prices of others. This means that in some instances, cocoa prices can temporarily be affected by events unrelated to the crop. (Fountain/Hütz-Adams 2022: 26)

Despite the heavy influence of the cocoa world price on the actual farm gate price, the government of producer countries do involve themselves in price negotiations. Before market deregulations in Ghana in 1992 (Maile 2020: 42), the government made all decisions regarding the domestic and international Ghanaian cocoa trade. However, this was seen as untransparent in regards to actual costs and hopes were, that farmers would receive higher prices for their beans without COCOBOD's gape keeping activities. Therefore, in line with the world view and under the pressure of the World Bank and the EU, the Ghanaian government liberated the domestic cocoa trade but kept all exports under their control. This makes Ghana, besides Côte d'Ivoire, the only cocoa growing area under strong public governance that help stabilizing fluctuating cocoa world prices. (Maile 2020: 43)

While COCOBOD no longer has the sole decision making capacity, the Producer Price Review Committee (PPRC) consisting of representatives of the government (Finance Ministry and Ministry of Economic Planning), COCOBOD (including QCC and CMC), the Bank of Ghana, haulier and LBC representatives, and COCOSHE as the farmers' voice annually decide on the fixed minimum producer price ahead of the main cocoa season. (Laven et al. 2016: 24; Vigneri/Santos 2009: 5) Thereby, the Ghanaian government has a similar function as for example the Dutch auction in the flower business by creating a safety net for producers through minimum prices (Whitfield et al. 2020: 209).

Since 70% of Ghanaian cocoa is sold through forward sales of expected harvesting amounts (Hütz-Adams et al. 2016: 26), in some cases the profit of sales is higher than expected. Farmers then receive a bonus of approximately three percent of the farm gate price. Since 2000 this happened at least twelve times. The rest of the revenues is split as follows: 76% goes to farmers, 9% to COCOBOD, LBCs receive 8%, 3,5% go to COCOBODs subsidiaries (CMC and QCC), hauliers earn 3%, and the last 0,5% go to the stabilization fund. (Laven et al. 2017: 25)

While the minimum price and the option for premiums can be seen as a positive effect of the government's involvement, it also constrains actors of the cocoa GVN and their operations. For instance, it constricts the price-based competitiveness of companies. (Vigneri/Santos 2009: 3f) Moreover, as mentioned above, during price negotiations, the farmers are represented by COCOSHE, the Coffee, Cocoa, and Shea Butter Nut Association (I7), which has strong ties to the government. However, the opinion on their representation amongst farmers is predominantly negative. While two farmers (I7; I10) in my interview believed that on a national level the organisation does advocate for cocoa farmers, their work is not felt on a local level. They feel as if they are represented by someone who is not part of their community (I7) and does not have their interest at heart when it comes to price negotiations (I9). Therefore, some cooperatives try to include the chief farmers who are part of COCOSHE in local farmers coops in order to decrease the distance between the farmers and COCOSHE. Some, however, believe that there is some perceived competition between COCOSHE and the local cooperatives since the former has been the national cocoa farmer representative since independence. Therefore, they might feel threatened by the increasing amount of farmers coops. (I10) One farmer was very outspoken about his dislike of the current farmer representation during price negotiations stating:

> "This is the board that represents the cocoa farmers. We don´t want it in that way. We want the cocoa farmers being represented by cocoa farmers, not COCOSHE. COCOSHE decide for us. COCOSHE, it is shea butter, coffee and cocoa, so these three organisations have come together. We don´t want it in that way. We want cocoa farmers. [When] we are determining cocoa price, it is only the cocoa farmers with the government on board and the COCOBOD. That is what we want."
>
> (I8)

In short, the Ghanaian farm gate price is dependent on the world cocoa price, which is set in the West, and the negotiations of the PPRC. The farm gate price is the minimum price buyers need to pay farmers. Farmers, however, do not feel represented by COCOSHE and hence do not see themselves being represented during the price setting for cocoa beans.

b. The Partners

This subchapter now focuses on the partners of Western firms and third party certification organisations. These partners are also the target audience for many CSR- and sustainability related goals. While LBCs are often used by firms and organisations to funnel their programmes through, their involvement is only discussed in short since their tasks are already touched on in the previous chapter. The main focus will be laid on farmers cooperatives and associations. I will first explain the general role of farmers organisations and then give a short introduction for each of the organisations the interviewed farmers belong to. Additionally, because none of them work with Tony's Chocolonely, I introduce ABOCFA with the help of their website (see Abocfa.com n. d.).

To begin with, in countries of the Global South, farmers organisations and their performance are important factors in positive change for their communities (Amiquero et al. 2023: 3). The farmers can be organized in different kinds of organisations and in different sizes (Fountain/Hütz-Adams 2022: 98) such as associations, cooperatives, cooperative unions, or unions (I8; I10). Each of these organisation types has different duties and rights.

A union refers to an organisation that besides employees also consists of smaller self-employed workers. In our case, these would be self-employed rural workers, such as small holding cocoa farmers, and employees would be the cocoa workers (e.g. employees in cocoa processing companies) and COCOBOD employees. (Mühlleitner 2020: 20) An example for a union representing cocoa workers in Ghana would be GAWU (I3) and their local office in Neribihi (Neribihi Cocoa Farmers' Union) is an instant of a local union[17] (I1).

A cooperative on the other hand is "*[…] owned by, controlled by, and created for the benefit of members [and] might be agricultural, non-agricultural, union or credit organizations.*" (Amiquero et al. 2023: 2; see also Fountain/Hütz-Adams 2022: 98) Van der Linden (2008: 152) elaborates that in order to be a cooperative, the organisation needs to be economically independent and producing products, have a joint ownership structure and is exclusively owned by employees, as well as make decisions based on a democratic (=single-vote-based) system. However, in reality many cooperatives are partly owned by banks, NGOs, or companies and the only criterion for the cooperative understanding is that majorly, the decision-making capacity lies with its employees (Mühlleitner 2020: 20). In the African context, such partial owners often "*[…]provide information, technical assistance and support for building capabilities [and][…] may play an important role in the establishment and continuity of a cooperative.*" (Amiquero et al. 2023: 3)

The International Cooperative Association extents Van der Linden's (2008) definition by the following points. The membership has to be voluntary and open to join without discrimination. The capital of the cooperative is at least partly owned as shared funds by the members, ensuring

[17] "*'Local unions' are cooperatives of smallholding farmers within the GAWU-union.*" (Mühlleitner 2020: 21)

economic involvement of all of them. Cooperatives provide training, information, and education in general to their members and are concerned with the development of the community they operate within. Lastly, cooperatives should work together with other coops. (ICA 2019) It is important to note though that especially in Africa, cooperatives are heterogenic and serve various purposes. This is also true for Ghana. (Delvetere et al. 2008: 8)

Farmers are aware of the different forms of organisations and one interviewed farmer (I19) understands “associations” to be of larger geographic coverage in comparison to cooperatives. Moreover, the latter are exempt from taxes for the services they provide and are allowed to register a farmers credit union. (I10) Moreover, cooperatives have stronger regulations than associations since they are registered with the Department of Cooperatives. Coop members pay dues mandated by law that are then used for the community (e.g. as loans for members). Associations on the other hand are not obliged to collect membership fees. (I8) Another interview partner (I3) differentiates between two forms of cooperatives: economic and self-organized cooperatives. The differentiating factor for the farmer is the cooperative’s connection to chocolate manufacturers or LBCs such as Olam or Barry Callebaut. Economic coops are understood to have a relation to the buyers and often have deals in place to sell their cocoa to them, or are certified by them. (I3) Some cooperatives were even started by Western firms or the government (Fountain/Hütz-Adams 2022: 98) and despite having a democratic structure with elections, they are affected by their link to the cocoa buyers. Self-organized cooperatives on the other hand act independently and are formed out of the members’ own interest. (I3)

Reasons to join organisations given by interview partners were the following. One shared reason for some farmers (I1; I2; I9; I10) was that through organizing, they gain bargaining power through a common voice (see also Amiquero et al. 2023: 2), which made approaching the government for support and price increases easier. Fountain and Hütz-Adams (2022: 63) also believe that farmers and farm workers can utilize organisations to realise their rights.

However, the government is not the only institution that is easier accessed through cooperatives. Forming coops also increases farmer-buyer engagement since they facilitate the direct connection between the suppliers and chocolate manufacturers. This increases support for the cooperative members and through collectively selling their cocoa, their cocoa bean amount increases which with some Western buyers and LBCs makes them eligible for premiums. (I2)

From the perspective of Western firms and the Ghanaian government as well as COCOBOD, organizing farmers further eases access to the farmers for the purpose of training, education, and research (I8) since farmers’ information is easier to obtain when they are organized in groups (I10). This I believe is also the reason why certifications like Fairtrade are only accessible to farmers who are part of cooperatives (I2). This notion seems to be true since "*[a]lmost all efforts in cocoa reach only farmers that are already (loosely) organised in cooperatives.*" (Fountain/Hütz-Adams 2022: 98)

Another reason to join that multiple farmers mentioned was access to inputs, both financial and non-financial, and machinery (Amiquero et al. 2023: 2; I1; I4; I5; I6; I9). These membership benefits for instance include the accessibility of assistance from the bank in the form of loans to support their farming (Amiquero et al. 2023: 2; I1; I9). For example, one bank called "Najumah Asanti" will give members of the GAWU local union in Neribihi loans with lower interest rates (I6). Moreover, the banks supply cooperatives with machines to work on the farms. By buying them cheaper through cooperatives from the banks on credits with low interests, it reduced costs for the farmers. (I5) Some cooperatives additionally use their own funds from due collections to help out struggling farmers, for instance in the case of unexpected expenses such as for funeral costs (I8) or school fees (I6).

Non-financial inputs include access to machinery, spraying guns (I1) that can be borrowed (I4), nursery plants (I5), free or cheap labour (I4; I6; I10), and knowledge acquisition (I6) and are also reasons for farmers to join organisations. Machinery is often bought by farmers organisations, either through banks as described above (I5), or by using the money from dues collected from the members. This machinery can then be used by all members in case their own was broken or not sufficient for the workload. (I6)

In regards to free labour, farmers have stated that hired labour, amounting to around three quarters, make up the highest part of total production costs. Cooperatives therefore strive to relief farmers by introducing self-help programmes. These often include collectively working on a member's farm if they need help, so if they need help on another day, they will receive it too. Therefore, costs are reduced for all members since significantly less labour has to be hired. (I4; I6; I10)

Knowledge transfer is a common goal of many cooperatives. This includes researching the best production and sale practices as well as getting assistance from foreign partners and the subsequent teaching of environmental and sustainability practices (I2) and farmer training (I3). Both are only possible through organisations (I10) and the assistance of extension officers, which has increased farming standards (I9).

One farmer even saw joining a coop as his duty as he explained: "*Well, I am a cocoa farmer, […] this is the reason, […] I became member. So, once I am cocoa farmer, I have to.*" (I1)

In Ghana, the number of cocoa farmers cooperatives has increased drastically since 2010 despite the high costs of registering cooperatives (I10).

Therefore, what follows now is a short introduction of the following farmers associations and cooperatives some of the interview partners are members of (see the table below), as well as GAWU and their local farmers' union in Neribihi. Afterwards, I will introduce ABOCFA as a direct, long-term partner of Tony's Chocolonely.

Name	Member Count	Organisation Type	Certification
Elikem Welfare Association	12 000	Association of 12 cooperatives	Fairtrade; UTZ/RA in progress; organic
Cocoa Organic Farmers Association (COFA)	450	Association	organic
Fine Flavour Cooperative	275	Cooperative	Fairtrade
Assiman Cocoa Farmers and Marketing Union	14 000	Cooperative union	none
Assin Kushea Cocoa Farmers Society Union	108	Cooperative; member of Assiman Cocoa Farmers and Marketing Union	Fairtrade certification in progress

Table 6: Local farmers organisations of interview partners (based on Mühlleitner 2020: 30)

The Elikem Welfare Association is a farmers association located in the Volta Region and consists of twelve different cooperatives with a combine 12 000 members. By organizing local farmers in various cooperatives the association hopes to give its members a united voice and access to international traders which opens up doors to channels of support. Their Fairtrade certification additionally increases the farmers income through the Fairtrade premium. Its use is discussed during the association's annual general meeting where farmers talk about their last years income and how to use these funds in the upcoming year. (I2)

One example for what an interview partner (I3) referred to as economic cooperatives is the Cocoa Organic Farmers Association (COFA). COFA is an association in the Brong-Suhum zone with around 450 members. Other than the previous organisation, COFA was formed in 2002 in response to an American firm in need of organic cocoa due to the increasing preference for cocoa grown without using synthetic chemicals. Therefore, the company went through CRIG to the farmers, opinion leaders of the community as well as the chief farmers. After that, the organic cocoa programme was introduced by "*[...] gather[ing] together ALL the farmers. And then they invite the CRIC, the Cocoa Research Institute Team, we demarcated all the area, we blocked the area. So, we had about 3 or 4 communities that is doing this programme.*" (I7) This is important in order to ensure the traceability and separation of the organic cocoa. Since its establishment, the association provides the farmers with services such as spraying insecticides for free on the members' farms. Moreover, they offer pre-financing to afford, for instance, additional hired labour during weeding and harvesting periods. (I7)

Another farmers cooperative connected to CRIG is the Five Flavour Cooperative and Marketing Society in Offinso. They started out as a cocoa association in 2009 and were chosen by CRIG for the farm favour cocoa project in 2010 bringing a new cocoa variety to the area. In 2012 the association registered with the Registrar General and in 2016 became a cooperative union and were audited by FloCert. In 2017 Five Flavour Cooperative was Fairtrade verified in 2017. While they had 740 members at that time, they screened their membership and dismissed inactive or non-committed members, which made their numbers drop to 275. These members cultivate both conventional and farm favour cocoa, a new variety in Ghana and Africa. This cooperative too trains their members extensively and have extension officers to help the farmers out further. They also offer low interest loans to farmers to ease their financial burdens. (I8)

A comparatively big union is Assiman Cocoa Farmers and Marketing Union, a cooperative union with approximately 14 000 members (I9). Cooperative unions are a unification of at least two cooperatives into one (I10). This union aims at training programmes and workshops to teach farmers new knowledge (I9). One cooperative which is part of this Union is Assin Kussea Cocoa Farmers Society Union. It was started in 2011 by cocoa farmers in Assin Kushea before registering it in 2014 with the Department of Cooperatives. They make up 108 members in the cooperative union and is therefore a rather small organisation. However, their goal too was to "*[...] come together, form a cooperative or a group, so that they can champion their interests.*" (I10)

While all these cooperatives and associations are solely consisting of and representing cocoa farmers. The General Agricultural Workers' Union as the name suggests, represents agricultural workers. It was started as an organisation of COCOBOD's staff and workers in 1959 to address challenges in the cocoa GVN. Even today, between 50 and 60% of Ghanaian COCOBOD employees are GAWU members. (I3) They however also include other agricultural workers, such as for instance extension officers or the Ministry of Agric staff members (I10), involved in agricultural processes up to processing companies who are no longer covered by the GAWU-umbrella term (I3). Despite some confusion between COCOBOD's understanding (I10) who believes GAWU is limited to formal employees but not farmers, and GAWU representatives themselves, GAWU is possibly one of Africa's only trade unions that allow cocoa farmers to join as members (I3). This is realised through their cocoa farmers' division, which currently accounts for around 25 000 members. They are self-employed rural workers on their own farms and are not paid wages by COCOBOD. (I3) Much like other organisations described above, the union provides farmers with seedlings, machinery, and agricultural training (I4; I6).

Most of GAWU's work with cocoa farmers is done through local unions such as Neribihi cocoa farmers' union, which was established in 2007 (I1). Besides providing the services described above, the Neribihi office also promotes labour standards and monitor local children and their school attendance in an effort to decrease child labour. Moreover, they offer access to alternative livelihood options such as livestock in the form of rabbits and to knowledge in form of trainings by foreigners such as Canadian farming professionals. (I1)

One of the cooperatives in Ghana that Tony's Chocolonely has a longstanding relationship with is ABOCFA Cooperative Organic Cocoa Farmers and Marketing Society Limited, formerly known as Aponoapono Biakoye Organic Cocoa Farmers Association. ABOCFA is a farmers organisation operating out of Aponoapono, which is located near Suhum in the Eastern Region of Ghana. From there, they coordinate their work in fifteen villages in the region. (abocfa.com: 2022) Besides being an independent farmers organisation that supplies quality organic and Fairtrade cocoa to its partners, ABOCFA has made the following mission statement:

> "Our mission is to equip our farmers with productivity and management skills that improve their livelihoods, and generate additional income from cocoa premiums and other sustainable sources. We continually strive to be self-reliant, and to provide the best services to our members. Above all, ABOCFA aims to reduce poverty and ensure that all members attain a living income."
>
> (abocfa.com 2022)

The most important milestones in ABOCFA's development towards realizing these goals can be seen in the following figure and are elaborated on below.

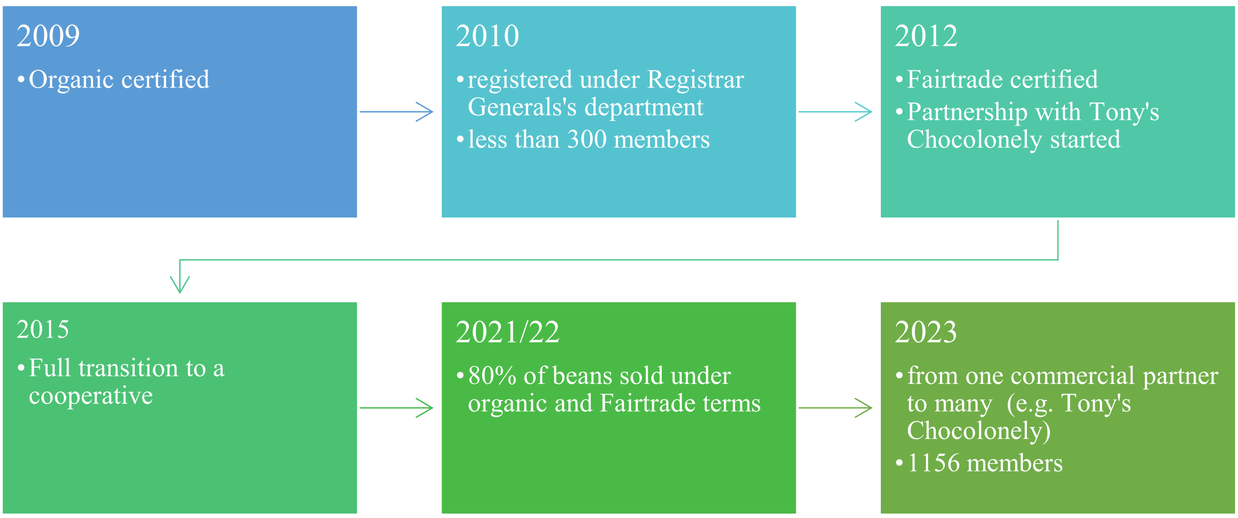

Fig. 14: Milestones in ABOCFA's development (author, based on abocfa.com 2022)

ABOCFA as a farmers organisation first received their organic certification in 2009 and was then registered with local authorities in 2010. At the time, the cooperative had less than 300 members and over the next five years fully transitioned into a cooperative structure. In the meantime, ABOCFA successfully passed their FLO-CERT audit and was officially Fairtrade certified in 2012. This made ABOCFA the first and only organic and Fairtrade Certified Cocoa Cooperative in Ghana. Since then, the amount of Fairtrade and organic cocoa bean production has increased steadily. In the 2021/2022 harvest season, 80% of their beans were sold in accordance with organic and Fairtrade terms, which led to a higher overall income and improved living conditions for farmers. (abocfa.com 2022)

Moreover, ABOCFA entered its long term partnership with Tony's Chocolonely in 2012 and have been supplying them with organic, Fairtrade cocoa ever since (tonyschocolonely.com n. d. b: 2)

Since its beginnings in 2010, the cooperative's membership has quadrupled to 1156 members, of which 854 identify as male and 302 as female. Collectively, they have sold 1314.58 metric tonnes of organic Fairtrade cocoa after the last harvesting season, which they produced on a combined 1683.3 hectare of farmland. Moreover, ABOCFA has gone from selling to a single commercial partner, to supplying a multitude of cocoa and chocolate companies such as for instance Tony's Chocolonely, Uncommon Cacao, Kul Chocolate, and MIA. (abocfa.com 2022)

ABOCFA now has a total of 23 staff members "*including the Cooperative Manager, Child Labour Team, IT Administrator Technical, Officers and an Accountant, who work with the Board to implement the strategic direction of the organization.*" (abocfa.com 2022)

Additionally, 45 service providers are employed in order to relieve the financial burden of members. These employees are tasked with farming activities such as weeding, harvesting, spraying fertilizers and pesticides, breaking cocoa pods, and pruning. For their services they are paid by ABOCFA as well as the farmers by splitting the costs in half. (abocfa.com 2022)

The employees of ABOCFA are organized as follows:.

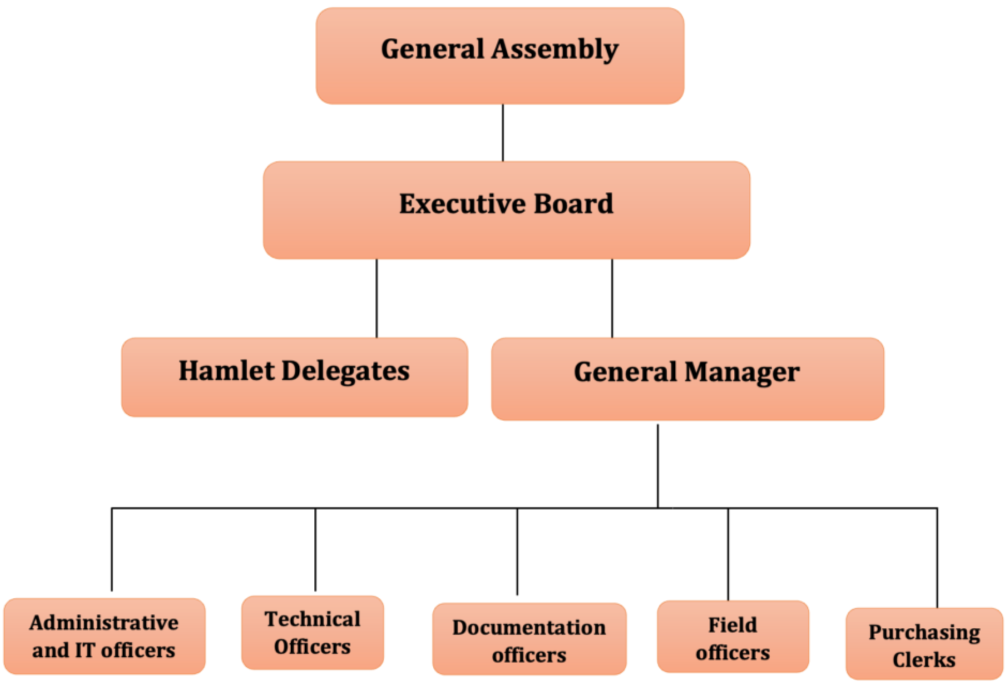

Fig. 15: ABOCFA's organisational structure (abocfa.com 2022)

The current general manager is Stephen Ashia. He holds a Masters degree in Agroforestry and is now responsible for the training of ABOCFA members and executives. Moreover, he is the point of connection between external and internal partners and stands for the organisation's shared values, especially good governance, quality management, transparency, and accountability. These guide the interactions between members and the collective actions of the cooperative. All members vow to uphold the rules and regulations of the cooperative, respect each other, and protect children. Additionally, their common goals include to better their farming practices, ensure food security and the health and safety of all members, and protect and preserve their environment. (abocfa.com 2022)

The organisation's values are reflected in the key achievements ABOCFA has made in the past years. They are listed in the table below and I have sorted them into categories.

Child labour prevention	Financial Relieve and Motivation	Infrastructure development and environmental protection	Gender equality and healthcare
Educational support provided to all members with school-aged children, with loans between GHC 500 - GHC 2000 per year	Supplying organic fertilizer and improved hybrid seedlings to members at no cost	Service centres constructed for provision of services to members	Livelihood trainings for women
6-unit classroom built in Aponoapono and 1 school renovated	Spraying and pruning services offered to members at no cost	Rural electrification projects completed in 2 communities	Equipment provided to village health centre
Child Labour Remediation Programmes provided apprenticeships for 8 children, school uniforms, exercise books, and bicycles	Village savings and loans schemes established in 5 villages	Community water systems built to improve water quality	All members and their wards registered with the National Health Insurance Scheme
106 computers and 6 projectors provided to 6 schools in operational area	Cash premium paid to members	Community Library constructed with partner support	Chocolate Milk for school children to improve health and school enrolment
Mowers provided to 6 schools as part of child labour-related support	Award schemes to motivate hard-working youth and adult farmers	GPS Mapping of all farms	
Canteens constructed for 6 schools			

Table 7: Key achievements of ABOCFA by categories (author, based on abocfa.com 2022)

The table shows the importance of child labour prevention as well as financial relieve for farmers – goals that remind of their partner's (Tony's Chocolonely) CSR-goals as presented in the next chapter.

Nevertheless, farmers organisations are not the only partners of Western chocolate companies. Some companies run their programmes through Licenced Buying Companies who then interact with farmers and farmers coops. An example therefore would be Nestlé. Other firms, such as Tony's Chocolonely, Amajaro, or Mondelez with its Cocoa Life Programme, take a more direct approach by establishing their own LBCs and/or have extension officers on the ground working with them. (I10)

In a way, LBCs also work as match makers between companies and the right farmers organisation. The way this works is by Western firms asking LBCs to find sellers for a specific type of cocoa (e.g. Fairtrade, UTZ, conventional, organic,…) and LBCs then searching for sellers willing to sign a contract to sell the beans to them and then on to the company through CMC. (I2) Farmers organisations are aware of this practice and advice their members to choose a particular LBC instead of several ones if they are part of a certification programme in order to guarantee traceability (I10).

c. The Western Firm

The case study firm of this thesis is Tony's Chocolonely, which is a chocolate manufacturing firm based in the Netherlands. In short, the company was founded by three Dutch journalists, CEO Henk Jan Beltman, Maurice Dekkers, and Eveline Raymans, in 2005 with the overarching goal to make the global chocolate industry 100% child labour and slave-free. To do so they partnered with farmers in Ghana and Côte d'Ivoire. (Harvey 2020)

In this chapter, I give an overview of Tony's Chocolonely's history before working through the firm's CSR goals and practices. To do so, I will begin with the company's most important milestones during their development. These can be seen in the figure below and include the events in the years leading up to the company's establishment in 2005. More details are discussed below.

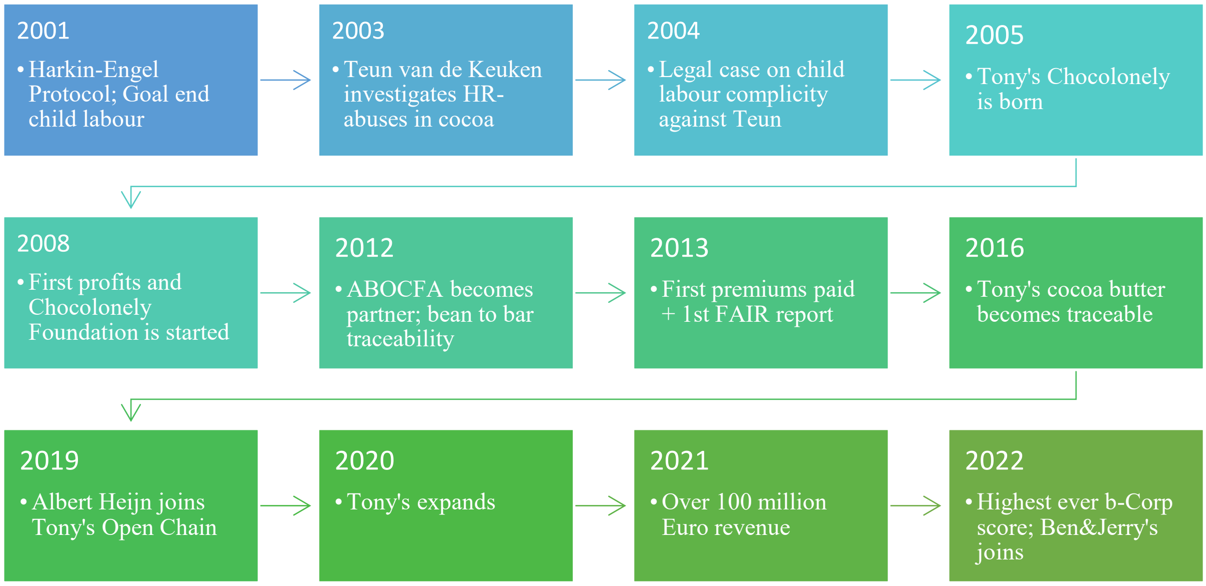

Fig. 16: Tony's Chocolonely's history (author, based on tonyschocolonely.com n. d. b: 2f)

In 2001, in light of the growing pressure of the public in the early 2000s, a "slave free" label for cocoa was sought after through the Harkin-Engle Protocol. It is a voluntary agreement signed on September 19th, 2001, by Archer Daniels Midland, M&M/Mars, Guittard Chocolate Company, Hershey, World's Finest, Blommer, Nestlé, and Barry Callebaut AG. It was put into place by NGOs, human rights organisations, the Cocoa Manufacturing Association (CMA), the World Cocoa Foundation (WCF), trade unions, and the US-Congress. The agreement is focused on eliminating the WFCL as defined above by splitting the responsibility thereof between all knots of the production network. (DeLuca-Acconi 2017: 6)

In 2003, the journalists Teun van de Keuken, with the nickname Tony, and Maurice Dekker researched the chocolate sector in Ghana and Côte d'Ivoire for the show "Keuringdienst van Waarde". They aimed to uncover the extent of human rights abuses within the cocoa industry. (Ghazaleh et al. 2018: 3; tonyschocolonely.com n. d. b: 2)

Shocked by the results, in 2004 they put together a legal case in collaboration with victims of modern slavery and child labour (find definitions for the terms in chapter VI.a.i. "Child Labour"). Their argument was that Tony had been an accomplice to forced labour violations since he knowingly bought and consumed the products of illegal labour practices. (tonyschocolonely.com n. d. b: 2)

After not being taken seriously in their legal case, the company Tony's Chocolonely was found in 2005 and the first Fairtrade bars were sold (tonyschocolonely.com n. d. b: 2). The first 5000 bars were financed out of pocket by Dekker and produced by the Belgian manufacturer Alain de Laet. The name of the company was chosen to refer to Teun through Tony's and to their "lonely" fight for slave free chocolate – Choco*lonely*. (Ghazaleh et al. 2018: 4)

After three years of personal financial investments by Dekker (Ghazaleh et al. 2018: 4), the firm was finally making profits so they started the Chocolonely Foundation. This platform has since used a share of their profits in support of cocoa farmers and causes in line with Tony's ideology. (tonyschocolonely.com n. d. b: 2)

After the evaluation of the Harkin-Engel Protocol in 2011 showed that it had not made a significant impact in fighting child labour, Tony's partnered with the farmers cooperatives ABOCFA in Ghana and Kapatchiva in Côte d'Ivoire in 2012. Moreover, Tony's started to track their cocoa beans from the farms to its chocolate bars – four years before their cocoa butter too becomes traceable. As a marketing move, they additionally started dividing their chocolate bars unequally in 2012 to represent the unequal profit shares of cocoa actors in the GVN. (tonyschocolonely.com n. d. b: 2)

Fig. 17: Tony's Chocolonely's unequally divided chocolate bar (author)

In 2013, the firm published its first FAIR report in order to be more transparent and show accountability for the company's actions. 2013 is also the first year Tony's pays premiums to eligible farmers. (tonyschocolonely.com n. d. b: 3)

From 2019 on, when Albert Heijn joins Tony's Open Chain, Tony's has experienced significant growth. In 2020, they opened new offices in both Europe (London, Hamburg, Amsterdam, and Salzburg) as well as in New York, USA. In 2021 the company crosses the 100 million Euro revenue benchmark for the first time. (tonyschocolonely.com n. d. b: 3)

In regards to CSR-achievements, Tony's managed to score a 125 B Corp score (businesses usually get a median of 50.9 (tonyschocolonely.com n. d. b: 34)) in 2022 and Ben & Jerry's joins Tony's Open Chain (tonyschocolonely.com n. d. b: 3).

As stated above, Tony's most important CSR-goal is to make the global chocolate sector 100% slave and child labour free (Harvey 2020; tonyschocolonely.com n. d. b: 12). However, at this point, only 0.3% of the West African cocoa sector are affected by the firm's actions (tonyschocolonely.com n. d. b: 23). This is why, in accordance with Tony's belief that collective action is necessary to truly make the cocoa trade more sustainable (tonyschocolonely.com n. d. b: 16), they encourage all key players need to work together (tonyschocolonely.com n. d. b: 21).

The figure below shows the five key players the firm has identified in the cocoa sector and the most important steps each of them can take in order to create a change in the industry.

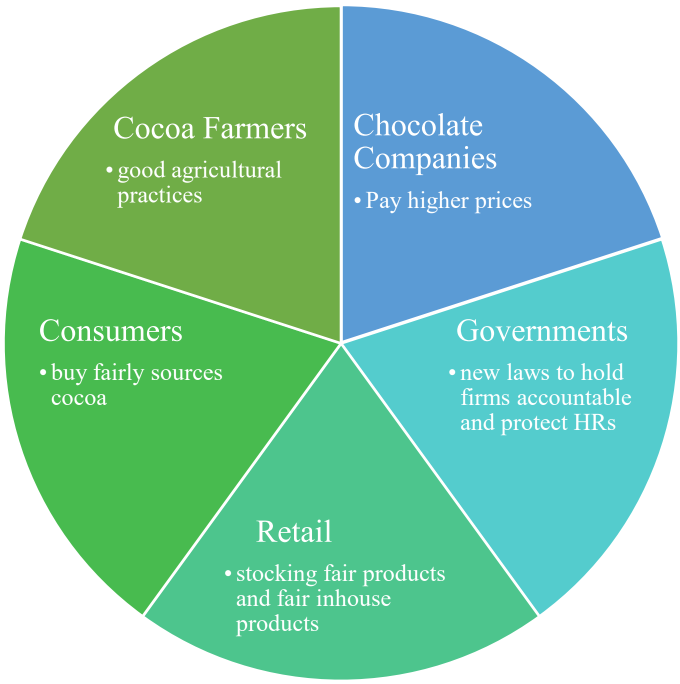

Fig. 18: Tony's key players (author, based on tonyschocolonely.com n. d. b: 20)

Moreover, Tony's themself has taken three main avenues in order to achieve their goals. These include creating awareness, leading by example, and inspiring others (tonyschocolonely.com n. d. b: 21).

The first one, creating awareness, has been the starting point of the firm. Since its establishment in 2005, the company has made it its mission to inform the industry as well as consumers about the issues existing within the cocoa GVN. Tony's believes that through knowledge and awareness change is created over time. Therefore, they educate all people involved in cocoa, starting with creating awareness about children's rights amongst farmers to consumers' agency to choose fairly and question producers. (tonyschocolonely.com n. d. b: 21) One avenue Tony's uses to inform their costumers is through the paper wrappings of their chocolate bars. On the back of the wrapper the following mission statement of the company can be found (see “Mit uns ist gut Schokolade essen”):

> “Hey! We are Tony’s Chocolonely. And we make chocolate. That we find really good. And we have a mission. That we find really important. We want that all chocolate is manufactured 100% free of modern slavery and illegal child labour. Truly all chocolate, worldwide. For that, we need you. Share this chocolate bar and share our mission. Together we can do it! Are you with us?”
>
> (Tony’s Chocolonely, translated by author)

The wrapper also features a link to Tony’s website and the Fairtrade label.

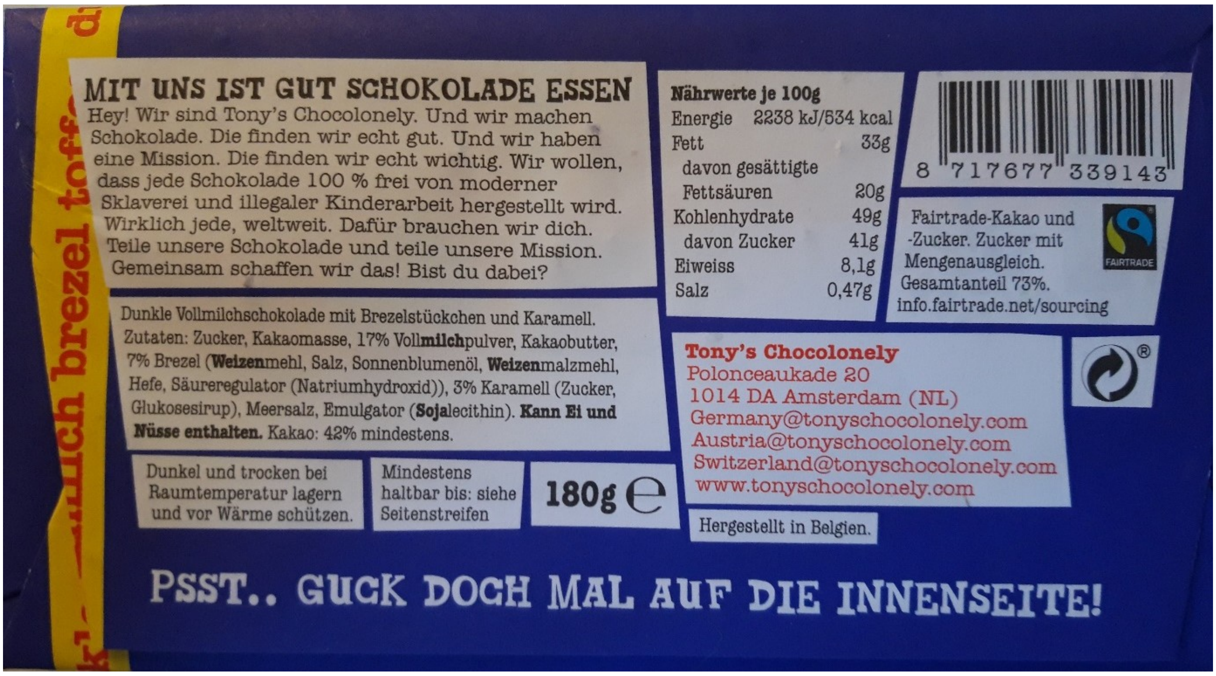

Fig. 19: Backside of Tony’s Chocolonely’s chocolate wrapper (author)

On their inside, information about the injustices within the chocolate trade are described and links to their website with further information can be found. While the content of this information varies in different wrappers, the one below is an example of how Tony’s informs their customers on the issues within the cocoa trade. Thereby, they start by stating their love for chocolate. Then they voice their disagreement with the working conditions in the cocoa trade and child labour and slavery in particular. Then they state their mission to change the status quo before giving information on how to do that – their five sourcing principals and Tony’s Open Chain. Moreover, the link to Tony’s website is given with the note that more information on the issue can be found there.

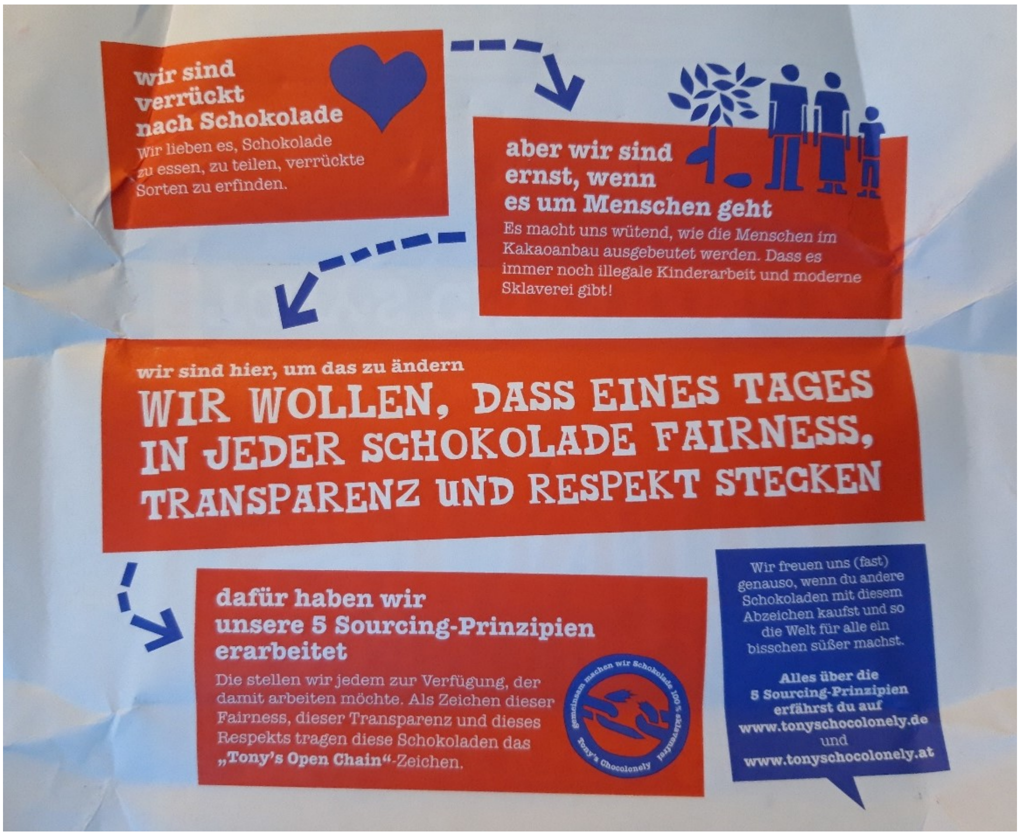

Fig. 20: Inside of Tony's Chocolonely's chocolate wrapper (author)

However, creating awareness is not enough. Therefore in 2012, Tony's Chocolonely decided that in order to get other chocolate manufacturers on board, it is necessary for the firm to show that they can be commercially successful through sustainable practices (tonyschocolonely.com n. d. b: 21). These practices through which Tony's leads by example are summarised in the company's five sourcing principals as listed below (tonyschocolonely.com n. d. b: 22):

1. Pay the **living income reference price**. This price is higher than the farm gate price and the added certification premium (e. g. Fairtrade).
2. Enable the **traceability** of cocoa beans. It is important to know by whom, where, and under what circumstances the beans are produced in order to make positive changes for all players. This is best done through directly buying from cooperatives and farmers.
3. Strengthen and **empower farmers** by working with farmers cooperatives. This helps them to professionalise their farming and increasing their power within the GVN.
4. In accordance with the last point, train farmers and help them increase the **quality** of their crop through skill training. This will also lead to **higher yields** and therefore income without expanding farm sizes.
5. Build **long term relationships** with partners. By making at least 5-year commitments to a specific supplier and assured higher prices, the farmers' incomes are secured. This

enables them to plan ahead and invest.

(tonyschocolonely.com n. d. b: 22)

These principals are also reflected in the third avenue: inspiring others. Since 2019, Tony's has been working on enhancing Tony's Open Chain and use it to educate other cocoa companies and help them to adopt the above mentioned principals (tonyschocolonely.com n. d. b: 23).

Additionally, Tony's believes in transparency in order to set clear goals and action plans. Therefore, they try to report both positive and negative impacts accurately. This "*[...] is important in the chocolate industry – where few people and organisations in positions of power are fully transparent, while farmers take on lots of the risk and see little reward.*" (tonyschocolonely.com n. d. b: 23) Hence, Tony's has published annual FAIR reports since 2013, giving insights into the company's work (tonyschocolonely.com n. d. b: 2).

In regards to Tony's Chocolonely's specific action plan in terms of their CSR goals, the table below published in last year's FAIR report (tonyschocolonely.com n. d. b) shows the company's activities, how they relate to their business model, their results, and the impact they have.

Inputs (the organisation's activities)	**Implementation (business model)**	**Outputs (results of activities)**	**Outcomes (impact of results)**
Growing Tony's Open Chain	Make 100% slave free the norm in chocolate by driving awareness and leading by example so that we inspire others to act	More cocoa sourced according to Tony's 5 Sourcing Principles = less poverty, less illegal labour and more enabled cocoa communities	Cocoa farmers have a decent standard of living and partner cooperatives are empowered business partners
Pushing for human rights and environmental due diligence legislation	Deliver world-class impact in West Africa and scale up Tony's Open Chain	Processes and facilities produce more sustainable and traceable chocolate	More processors and manufacturers provide sustainable chocolate products
Investing in markets and impact	Foster an inclusive environment where people can reach their potential	More chocolate products made according to Tony's 5 Sourcing Principles available on store shelves	Retailers are responsible sellers and offer sustainable chocolate options
Tony's 5 Sourcing Principles and cocoa community development	Lead by example as a scalable, financially viable impact company	Shifting public thinking and increasing awareness, leading to a higher demand for sustainable products	Choco fans are informed consumers
'crazy about chocolate' aka Tony's products	Inspire brand ambassadorship through striking comms and chocolate products that delight	Legal frameworks that hold companies accountable for their entire supply chains	Governments rigorously implement human rights and environmental due diligence frameworks

'serious about people' aka impact on humans		Purchasing practices that prioritise human rights and the planet	Chocolate companies are responsible industry actors
Protecting the environment and offsetting		Purchasing according to Tony's 5 Sourcing Principles combined with increased awareness of the issues in cocoa	Mission allies collectively lead by example and inspire others
		More diverse talent and a growing global team, with maximized potential	Team Tony's is strong and diverse

Table 8: Tony's Chocolonely's value creation model (tonyschocolonely.com n. d. b: 27)

As the table shows, Tony's objectives are rather complex. Therefore, the company uses external frameworks in order to reach their goal of inducing a systematic change in the cocoa sector. The following three frameworks have a stark impact on how Tony's does business.

Firstly, the Organization for Economic Co-operation and Development (OECD) compelled the company to try and resolve existing problems in the cocoa industry and find new ways of doing business that help to avoid these problems in the future. (tonyschocolonely.com n. d. b: 28)

Secondly, the United Nations Guiding Principles on Business and Human Rights (UNGPs) guide the firm in terms of business human rights (tonyschocolonely.com n. d. b: 29).

Lastly, the United Nations' Sustainable Development Goals (SDGs) as mentioned in IV.c.ii. are a big influence on the CSR-goals of Tony's Chocolonely. They (tonyschocolonely.com n. d. b: 29) state:

> "We align our goals and track our progress according to the SDGs. They serve as a multifaceted blueprint for peace and prosperity, people and the planet. They aim to take into account the complex problems faced daily by, among others, farmers, their families and people forced into illegal labor. In particular, the sub-target 8.7 of SDG 8: decent work and economic growth aligns closely with our vision of the future, where doing business and buying chocolate bars doesn't result in human rights violations and illegal labor."
>
> (tonyschocolonely.com n. d. b: 29)

This quote shows just how important SDGs are for Tony's Chocolonely. They further explain that they have been working proactively on fulfilling the following ones: no poverty, zero hunger, decent work and economic growth, reduced inequalities, responsible consumption and production, climate action, and partnerships for the goals. (tonyschocolonely.com n. d. b: 29)

Overall, Tony's Chocolonely has been focused on making systematic changes since before its establishment with a strong focus on eliminating child labour. I have decided to not elaborate on specific CSR-actions of the company at this point. Instead, I will integrate Tony's CSR-practices into findings in other literature such as the Cocobarometer (Fountain/Hütz-Adams 2022) and the analysed transcripts in the next chapter.

VI. CSR-Needs of and Effects on Local Farmers

In this chapter, I will now connect the theoretical knowledge, the context, and the findings from the interview transcripts as well as the documentary. The aim is to work out the different CSR-related needs of cocoa farmers in Ghana as they were raised in the interviews and connect them to existing literature as well as Tony Chocolonely's CSR-activities.
A company questionnaire done by Fountain and Hütz-Adams (2022: 12) found that almost all firms mentioned the following topics in connection to their own CSR practise: GAP-training (Good Agricultural Practices) associated tasks such as income diversification and supporting agroforestry as a form of income generation, increasing access to inputs and financial support through Village Savings and Loan Association (VSLA), and higher cocoa prices through premiums for quality and sustainability. (Fountain/Hütz-Adams 2022: 12)
These categories were all, but not exclusively, present in the interview transcripts and will be elaborated on in the following subchapters.

a. Child Labour and Education

In this chapter I will define child labour, discuss it in respect to the Ghanaian cocoa production and CSR-practises, and put it in context with Tony Chocolonely's CSR-goals. Moreover, I will look at the education of farmers and challenges caused by the lack thereof. I have decided to discuss the two issues in a single chapter since child labour is connected to limited school attendance and hence the educational level of future farmers.

i. Child Labour

Child labour and child slavery in the West African cocoa trade was brought to the forefront of media attention in the early 2000s, which has since led to human rights movements in the cocoa sector (DeLuca-Acconi 2017: 5). Despite the wide range of human rights issues[18] the focus within the cocoa supply chain often lies on child labour (Fountain/Hütz-Adams 2022: 54; Maile 2020: 10).

[18] "*Gender inequality, (infant) malnutrition, lack of access to education, human trafficking, insufficient healthcare facilities and sanitation, insecurity of land and tree tenure and rule of law, labour rights violations for smallholders, workers, and tenants;*" (Fountain/Hütz-Adams 2022: 54)

Still, defining child labour is not entirely straight forward since not every child helping with farm work is automatically involved in child labour, and not all activities are a reason for concern. Hence, child labour in connection to farm work was differentiated into three grades (Fountain/Hütz-Adams 2022: 55):

1. Child light work, which refers to occasional, age appropriate help under adult supervision for a limited time, under the condition that it does not interfere with their education and being a child.
2. Child labour, which on the other hand, does not comply with the conditions above or endangers the child's wellbeing or health. Additionally, as defined in ILO's Core Convention 182 it is used in regard to working children under the age of 15 years.
3. The Worst Forms of Child Labour (WFCL), which can be differentiated into unconditional WFCL (slavery[19], trafficking, and forced labour according to ILO's Core Convention 182 (for more details see also DeLuca-Acconi 2017: 6)) and conditional WFCL or hazardous child labour, which is defined on a national level.

(Fountain/Hütz-Adams 2022: 55)

In Ghana, the government signed the ILO Conventions 105 and 29 (Prohibition of forced and bonded labour) in 1957, the Worst Form of Child Labour Convention (C182) in 2000, and recognised the UN's 1989 Convention on the Rights of the Child (CRC) in 1990 (DeLuca-Acconi 2017: 6f). Thereafter, they have set up national definitions for hazardous child labour. This is especially important since children helping on farms is common across global agricultural production chains and light work as well as youth apprentice ships are legal. In Ghana "*[h]azardous activities include land clearing, carrying heavy loads, exposure to agrochemicals, use of sharp tools, working with dangerous machinery, and working long hours.*" (Fountain/Hütz-Adams 2022: 56)

Worldwide, around 150 million children are subject to child labour (NORC 2020) and a striking 95% of those affected are part of the WFCL grade since they are subjected to one or more types of hazardous work (Fountain/Hütz-Adams 2022: 56). Furthermore, 70% of child labour cases are found in an agricultural setting, with nearly half of all children growing up on cocoa farms in Ghana being subjected to it (tonyschocolonely.com n. d. b: 12). In the West African cocoa production, there are 1.56 million children affected (NORC 2020; tonyschocolonely.com n. d. b: 49).

[19] 30 000 people are victims of modern slavery in the cocoa sector in Côte d'Ivoire and Ghana (tonyschocolonely.com n. d. b: 11)

These numbers are not fully reflected in the statements of the interviewed farmers, both in the documentation “Golden Seeds” as well as in the analysed interview transcripts. One farmer (Abu 00:02:30) for instance states: “*When they [the parents] are working, we [the children] are there, but we don't do what we cannot do*.” (Abu 00:02:30) Additionally, some farmers believe that child labour is not an issue in their region because the children are supposed to go to school (I1; I5). However, they (Abu 00:02:30; I1) also acknowledge the importance of teaching the next generation how to cultivate cocoa in order to make sure cocoa farming is continued, hinting at at least some time being spend farming. Being on the farm with the parents is seen as a learning process through which farming techniques and traditions are passed down to the next generation. However, children should not do hazardous work but rather light tasks such as removing the sap once the pots are broken (Abu 00:02:30). Farmers (I1; I4) explain that the children usually go to school on weekdays, spend Saturdays on their family’s farm, and go to church on Sunday. Nevertheless, research shows that such perceptions of children merely helping on the farms are not in line with reality because of hazardous labour activities (Fountain/Hütz-Adams 2022: 56).
Another interview partner (I3) too admits that while it was a common view in the past that child labour was none-existent in the Ghanian cocoa sector, research has found that 20% of children are involved in labour activities. Some of them, such as carrying cocoa over long distances, or handling pesticides, are hazardous and affecting their education and health (I3). The numbers for child labour are indeed high despite many cocoa farms not yet being covered in child labouring monitoring systems. In the cocoa sector, it is estimated that around 1.56 million children in Ghana and Cote d’Ivoire alone are involved in child labour of which 65 000 were reported in a questionnaire on the subject. (Doku 00:02:25; Fountain/Hütz-Adams 2022: 59)
Reasons for the high numbers of child labour to occur seem to be multilateral. However, much like for almost all issues in the cocoa sector such as gender inequality or deforestation, farmer poverty is on the forefront for child labour related reasons (Fountain/Hütz-Adams 2022: 10).
On the one hand, financial constraints hold parents back from sending their children to school because school materials such as pens and books cannot be afforded (I1). On the other hand, hired labour for the farm is too expensive so children have to work on the farm instead (I2). Fountain and Hütz-Adams (2022: 14) explain that the expectations of Western firms of farmers to increase their productivity also increases their labour hours. Yet, without additional labour or financial means available to compensate, household members such as children are called on to help, increasing the risk of child labour. The following numbers only reinforce this statement:

> “The living wage in Côte d’Ivoire is US$11 per day, and the rate is even higher for Ghana with US$13,5.8 This means that 10 additional hired labour days per hectare have to lead to nearly 100 extra kilos of cocoa only to pay the additional labour bill.”
>
> (Fountain/Hütz-Adams 2022: 16)

Not taking such labour cost needs into account could explain why child labour is an ongoing issue in the cocoa sector since child labour provides unpaid or cheap “help” (Fountain/Hütz-Adams 2022: 16).

Another reason for children to be involved with labour lies in the remoteness of the farmland, which seems to make it hard for children to access the school system and parents are said to be more likely to keep their children home to work on the farm because of it (I2). Fountain and Hütz-Adams (2022: 54) add that school closures or the absence of schools altogether too are a facilitating factor for child labour. For this reason, Tony’s Chocolonely has invested heavily in school construction in both Ghana and Côte d’Ivoire. As a result, school attendance amongst the children of their partners has increased in 2021/2022. (tonyschocolonely.com n. d. b: 40) In Ghana, the problem with failed school attendance is less an issue with primary school but lies much rather with secondary schools. This is in spite of the theoretically free and universal secondary school education and the prohibition of full-time labour for under sixteen-year-olds. Admittedly, in practice, Ghanaian secondary school coverage is not complete throughout the country and the system is not equipped for the number of students. This not only leads to increased numbers of child labour but also to an increasing gender discrepancy with higher grades since female students are more likely to be kept at home to help with household chores as they become older. (Fountain/Hütz-Adams 2022: 57f) Denying children access to education though is violating Articles 2 & 13 of the ICESCR by socially and economically exploiting the affected children and taking away their right to education (DeLuca-Acconi 2017: 6f).

Lastly, parents who themselves were forced into labour are more likely to also force their own child to work due to the parents’ lack of sensitivity and education on the topic of child labour (I3).

Generally though, farmers seem to want their children to go to school and see cocoa farming as a way of facilitating their education, especially when the parents themselves were not afforded the privilege to finish schooling themselves. Not only do they want their children to have a good education and surpass their own educational level but they also hope that schooling will make the next generation better cocoa farmers with degrees and better farming techniques. (I2; John 00:08:04; Larweh 00:05:30; Yirenkyi 00:08:04)

Additionally to the positive attitudes of the interview partners towards the education of their children, some organisations such as the GAWU local union in Neribihi and the Elikem Welfare Association have set targets for themselves to support local children (I1; I2). This is done

through actively engaging with children who are not in school when they are supposed to be and then first of all informing parents of their duty of care and the mandatory school attendance, as well as the benefits of schooling for future farmers. Moreover, the union also focuses on educating children about their rights to not be forced to work and explaining the difference between labour and helping out their parents. (I1) Elikem Welfare Association (I2) add that they train members of the coops on how to avoid child labour and how to best use premiums (e.g. Fairtrade premiums) to support their children's education. These efforts are in line with governmental campaigns that try to raise awareness as well as implement national CLMRSs (Child Labour Monitoring and Remediation Systems) (Fountain/Hütz-Adams 2022: 56).
Much like by the unions, this is done by local people who regularly speak to cocoa farming families and report back to a central database. With children who are found to be at risk of child labour, interference is run on different levels reaching from the child directly to the family, the cooperative, or the community involved with the case. Examples thereof are " *[...] the provision of birth certificates or school materials, or the establishment of an income generating project for the women of the village.*" (Fountain/Hütz-Adams 2022: 60) From thereon, the child will continue to be monitored both in the terms of school attendance as well as involvement in child labour. (Fountain/Hütz-Adams 2022: 60)
Unfortunately though, such interventions through CLMRSs are only available to approximately 10-20% of cocoa farmers. Most of those have access through their organisations such as local unions and cooperations involved in traceability programs. The risk for child labour is significantly higher with non-organized farmers. (Fountain/Hütz-Adams 2022: 62)
In the case of Tony's Chocolonely, their farmers are regularly visited by community facilitators employed by partner cooperatives, who proactively search for cases of child labour. If cases are found, the above mentioned interventions are put into place. In 2021/2022, 2675 cases of child labour were found in Tony's partner cooperatives. Thereby, 1939 (52.8%) were discovered in newer partnerships and 736 (4.4%) among long term partners. (tonyschocolonely.com n. d. b: 4) In comparison, the chocolate industry average is 46.5% (tonyschocolonely.com n. d. b: 39). Therefore, Tony's child labour prevention actions such as knowing their partners and paying higher cocoa prices seem to reduce child labour in the long term.
Connected to farmer poverty and the linkage to child labour described above, raising cocoa household incomes is inevitable to drive change (Fountain/Hütz-Adams 2022: 10). This is especially the case in light of recent price increases since the beginning of 2022 due to the Russian war on the Ukraine. Despite those raising costs in regards to nutrition, transportation, agricultural inputs, and basic necessities, the cocoa price has not risen significantly, leaving the

world’s cocoa farmers behind. (Fountain/Hütz-Adams 2022: 54)
Tony’s Chocolonely (tonyschocolonely.com n. d.: 32) too believes that increasing cocoa prices would be one of the surest ways to eliminate child labour.
Fountain and Hütz-Adams (2022: 62) are not the only ones who see the structural poverty of cocoa farmer families as the root cause for child labour. Critics of the Harkin-Engle Protocol led by the International Labor Rights Forum (ILRF) also confirm that the ongoing existence of WFCL is largely due to the unfair and inadequate compensation of farmers and criticises the lack of concrete plans towards fair payment in the Protocol (DeLuca-Acconi 2017: 8). Similarly to the idea of the Harkin-Engle Protocol to spread responsibility within the GVN, the UN Guiding Principles on Business and Human Rights admitted in 2011 that firms have a duty to respect human rights in the hopes to increase companies’ self-regulation. However, since this was not the case, the debate around mandatory due diligence obligations for firms has been increasing in recent years because it could force a change towards better working conditions and a decrease of WFCL. (Fountain/Hütz-Adams 2022: 90)
Another important step to eliminate a wide range of issues, such as child labour or deforestation, is to combat the existing patriarchal system the cocoa sector is embedded in. Women are agents of change and gender equality cannot only lead to an increase of household income (Fountain/Hütz-Adams 2022: 20), women’s involvement also leads to a higher effectiveness of all projects in their communities through the rise of broader community acceptance (Fountain/Hütz-Adams 2022: 65). This is also the case for child labour awareness projects.
Unfortunately, not all interventions seem to reach farmers. The cocoa board scholarship for farm family children for example was known to farmers but said to not be accessible despite a long application process (John 00:09:02; Yirenkyi 00:09:11)
Overall, all steps taken towards an enforcement of child labour laws should be taken with care. This is because in many cases of hazardous child labour, children work out of necessity rather than maliciousness of the guardians. Therefore, reducing the reasons that forced children into work coupled with raising awareness and community development are often the more effective way to eliminate child labour. Means to do so could be providing education and school materials, increasing income, or providing other services. Unconditional child labour on the other hand should be strongly interfered with by authorities since forced labour and (child) trafficking are criminal acts. (Fountain/Hütz-Adams 2022: 57)
Furthermore, audits and a zero-tolerance policy do not have the expected effect of decreasing child labour. It much rather leads to problems being hidden and authorities being bribed (Fountain/Hütz-Adams 2022: 57; Soundararajan 2021: 3). CLMRSs as described above are

agreed to be the better option, especially in connection with fighting systemic root causes through broad community-based development projects (Fountain/Hütz-Adams 2022: 57).
Lastly, it is important to not focus solely on the cocoa sector when tackling child labour related issues since this could shift child labour to other, less controlled sectors (e.g. fishery). One instance for a wide-spread, area-based avenue against child labour in Ghana is the Child Labour Free Zone mechanism. (Fountain/Hütz-Adams 2022: 58)
All in all, child labour in the cocoa sector is a multifactual problem that is still not seen by the whole cocoa growing community. Since its root cause can mainly be traced back to financial constraints and unawareness, the main steps to combat the issues could lie in increasing household incomes through higher cocoa prices, awareness projects, and developing the communities' infrastructures.

ii. Farmer Education

The education of children instead of working, however, is not the only form of education mentioned by interview partners. The knowledge and education of adult farmers has also been referred to repeatedly (see I2; I3; I8; I9; Narike 00:14:05). The low literacy rates and lack of formal schooling is linked to various challenges.
Firstly, Narike (00:14:05) ties the illiteracy of farmers to their unfavourable reputation amongst the youth and the connected rural exodus. In their opinion, if cocoa farming was not linked to illiteracy, the youth was better educated on farming possibilities, and farmers were better organized in cooperatives, more young people would stay and take up farming instead of seeking employment in the city. (Abu 00:13:22)
Furthermore, not being able to read or write makes training farmers difficult as I8 explains: "*you teach them a good agricultural practices, but because they cannot read and write, they will hear it and then they will forget. They can´t apply [it].*" (I8)
Secondly, farmers, while knowing how to cultivate cocoa, are said to lack the understanding of global politics and the global agribusiness despite the importance of seeing cocoa farming as a business (I3). This also translates into unionism like the General Deputy of the General Agricultural Workers' Union (I3) mentions. They (I3) believe it is of importance that their members understand economics and the law in order to thrive. The required knowledge to improve the status quo could for example be as simple as knowing that in order to access the Fairtrade market and its benefits, a farmer has to be a member of a cooperative (I2). Cooperatives can play a critical role by assisting the farmers by researching sales and assistance

opportunities (I2).

Moreover, internal education in the form of internal exchange between farmers and the allocation of resources at the lower end of the value chain by organisations could close such knowledge gaps (I3). Other farmers (I8; I9; I10) already recognise the positive difference in the way farmers work that farmer training and organisation has made.

However, there seems to be a generational difference. Both in how farming is understood as well as the acceptance of new methods taught through farmer trainings. The older generation seems to be more prone to hold on to old farming methods in the name of tradition, even if that means lower yields and less income (I2). The younger cocoa farmers on the other hand are more open to change, improving the business positively (I9).

b. Good Agricultural Practices (GAP)

Good agricultural practices are often at the forefront of Western CSR-practises (Fountain/Hütz-Adams 2022: 106). Therefore, the topic is discussed at length in this chapter. To do so, I have split GAP into three categories that in parts overlap but are often treated as separate CSR-goals (see tonyschocolonely.com n. d.). The categories are increasing productivity, diversifying income channels, and environmental protection often broadly referred to as sustainability.

i. Increasing Productivity

A big focus by Western companies when it comes to farmer training and support as mentioned above is laid on good agricultural practices with the aim to increase farmer productivity and therefore yields per hectare (Fountain/Hütz-Adams 2022: 12). Currently, as reported by Fountain and Hütz-Adams (2022: 14), the average yield for Ghanaian cocoa farmers is 534kg per hectare. However, they (Fountain/Hütz-Adams 2022: 14) clarify that these reported numbers are rather high and it is more likely that the average farmer's yield is closer to 350 kilos. An explanation for the higher reported average could be that the number resulted from chocolate company reports and therefore mostly stem from better organized farmers with more access to sustainability programmes, better inputs, more training, and greater market access. (Fountain/Hütz-Adams 2022: 14) Other reasons for lower yields could be ageing trees, a high average age of farmers, pests and diseases, low adoption rates, climate change, lack of inputs, depleted soil, and financial constraints. (Fountain/Hütz-Adams 2022: 13) Low yields, however, are not only limiting production rates but they are also frustrating for farmers who cannot afford a living through their hard work as one farmer (I5) mentioned: "*But the yield doesn´t bring the cost of working so hard.*" (I5)

The challenge of low yields per hectare gets exacerbated by small average farm sizes, which some argue are not big enough to be economically feasible (Fountain/Hütz-Adams 2022: 17). With 80%[20] of Ghanaian farmers being smallholder farmers (I11) and farms as small as a quarter or half a hector (I2) making a living income off of the given land could be challenging. Yet, increasing farm sizes sustainably is difficult and would need structural changes in land and tree tenure through governmental interventions and rural development plans. Hence, farmers would only benefit from bigger farm sizes years down the road, making it a long term solution with no short or medium term relieve. (Fountain/Hütz-Adams 2022: 18) Similarly, increasing the darkness and flavour quality of the cocoa, which serves as a way to differentiate one's product from the competition (Gockowski et al. 2011), could increase earnings. However, the low income from the conventional cocoa production often keeps farmers from investing into higher quality seeds. Yet, Gockowski et al.'s (2011) sensitivity analysis shows that with fertiliser subsidies, switching to higher quality cocoa would dramatically improve farmer's income. (Gockowski et al. 2011: 1)

Furthermore, Fountain and Hütz-Adams (2022: 18) argue that viability of a farm is not limited by its minimum farm size but rather by its maximum size for a single household. This is explained by the additional labour that would have to be hired once the farm size exceeds the labour available to a household. This could also be seen as one of the reasons, why productivity focused programmes do not inherently better the net income situation of cocoa families (Fountain/Hütz-Adams 2022: 14; Kuit et al. 2021; Waarts/Kiewisch 2021: 41) As discussed in the chapter above on child labour, an increase of productivity, or the increase of farm size respectively, leads to additionally needed labour hours. This in turn increases both input as well as labour costs, reducing the net income of the farmers and raising the risk for child labour. (Fountain/Hütz-Adams 2022: 14f) According to Ghanaian farmers (I4; I6; I10) labour costs account for 70 to 80% percent of their overall cocoa production costs. In order to handle these costs, farmers organisations have formed that promote the traditional idea of "*Nnoba*", which means "*I help you weed, you help me weed*" (I10). The idea behind it is to provide cheap and easy labour for all members of the cooperative as a form of self-help. Farming was traditionally

[20] Another source (Ahlemann 2019: 35) puts the numbers of smallholding farmers even higher at 85% of cocoa farmers, "*[...] defined as farmers which cultivate plantations no larger than two hectares.*" (Ahlemann 2019: 35)

done this way, with the goal to cut down labour costs and reduce the amount of chemicals used (I10). Or in other words: "*When maybe he needs help, all the members will go and help and work on his farm. Then if another person has an issue, they will go to that farm and help.*" (I4) Tony's Chocolonely too encourages these forms of self-help by forming labour brigades in their partner cooperatives who trains and organizes them. Such groups are then deployed to do specialised labour (e. g. high branch pruning, spraying pesticides,…). (tonyschocolonely.com n. d. b: 45) At Tony's Ghanaian partner ABOCFA for instance, the costs for hiring such help is then split 50/50 with half being paid by the farmer and the rest being covered by the cooperative (abocfa.com 2022).

Pre-financing of both input material, such as free nursing plants that the government supplies through GAWU (I6), as well as to hire labour was further mentioned as a means to guarantee that a farmer has enough labour during harvesting and weeding periods (I7).

Others employ people to go around the members' farms and work for them. The COFA for instance

> " [...] dispatch[es] [their] spraying gun and then do the mass spraying for them. Yeah, when it is off the seasons, normally from July up to December, we have insects around. So, the association is having spraying guns. So, they do the spraying for the farmers for free."
>
> (I7)

Another way that farmers have found to actively reduce costs through their cooperatives is by collectively buying machinery that can be borrowed by the members if their own machines are broken or not sufficient for the workload (I4; I6; I7).

All in all, when productivity is equated with GAP, it leads to a growing need for inputs and labour resources without a significant benefit for the farmers in terms of income. Contrarily, the high risks of investment are often met with a lower income take away (Fountain/Hütz-Adams 2022: 14) despite the farmers' collective efforts to use their agency to decrease labour and input costs by forming cooperatives. According to Tony's Chocolonely's third sourcing principles, Western firms should seek the cooperation with such cooperatives. By doing so, they strengthen and empower cocoa farmers and lead them towards the professionalisation of their farming businesses and thus, increasing the farmers' power within the GVN. (tonyschocolonely.com n. d. b: 22) This is visible in the annual increase of yields in kg/ha for partnering farmers (tonyschocolonely.com n. d. b: 45).

Moreover, a widespread productivity increase would be unsustainable for the current cocoa production network because even "*if only 10% of all farmers would double productivity and by this fulfil the requirements of many companies, the ensuing oversupply would cause prices to fall drastically*." (Fountain/Hütz-Adams 2022: 14f) Hence, another way to increase farmer

income should be found since cocoa itself at current yields and prices does not lead to a living income (Fountain/Hütz-Adams 2022: 15).
On the other hand, Tony's Chocolonely's stance on the matter of GAP is reflected in their fourth sourcing principal. It contains the education of farmers. Through skill training, the company hopes to increase both the quality and the quantity of cocoa beans produced by any given farmer without changing the size of their farms. (tonyschocolonely.com n. d. b: 22) This approach forgoes the problem of increasing hired labour since it does not create bigger farm sizes nor more work. Additionally, better quality cocoa can be sold at a higher price (see also Gockowski et al. 2011: 1).

ii. Income Diversification

In light of the inability of cocoa production to provide cocoa families with a living wage at current cocoa price levels, some Western firms encourage the diversification of farming income. While the sufficiency of diversification as a solution to the given income challenges is questionable, it is an important step to safeguard farmers' incomes "*[…]in the case of price collapses, crop diseases, and adverse weather.*" (Fountain/Hütz-Adams 2022: 17) As explained by one cocoa farmer: "*We practice mixed farming. So, we don´t rely on 1 crop. If this one fails you, you get another one*." (I4)
The local unions also support farmers in their efforts to diversify their income. This is done through teaching them alternative livelihood skills, which can relieve financial constraints for farmers during cocoa-off-seasons. This is especially important since cocoa is only harvested twice a year and the sale thereafter is the only time they are paid. (I3; I8) Income generation is based on two different approaches, both of them with the aim to use cheap and available raw materials and a profitable market. With the first approach, a focus is laid at producing other consumer goods to both consume and sell at the market. These include livestock such as snails, poultry, or rabbits (I1; I8), and agricultural products like mushrooms, plantain, cocoyam, cassava, and other vegetables (I4; I8). The second approach focuses on increasing income through cocoa waste products. For instance, cocoa soap, cocoa wine, cocoa gin, or cocoa butter can be made from the husk, inner fibre, and the pulp that would usually be thrown away after the actual seed has been removed. Especially the ash from burning the husk is of value since, unlike ash from burned wood, cocoa ash has a high alkali level and therefore can be sold as ash, or be worked into soap products for an even higher sales profit. (I3)

However, diversification is not unique to cocoa farming. It is also fostered in other agricultural value networks in Ghana that produce similar crops. Therefore, insufficient income is not only found among cocoa farmers but agricultural producers generally and diversification does not eliminate the problem caused by low cocoa prices. Diversification is rather to be seen as an attempt by cocoa and chocolate companies to outsource their problem to other crops instead of becoming a lucrative sector themselves. (Fountain/Hütz-Adams 2022: 17)

Instead of the wide promotion of livelihood diversification, Fountain and Hütz-Adams (2022: 106) suggest an in depth analysis and calculations of GAP changes, their risks, the effect on net incomes, and the true costs of implementing said changes. These considerations should then be put into individual farm development plans since each farmer's land, social, financial, and environmental situation is unique to them. This should be reflected in their GAP-farm plans. (Fountain/Hütz-Adams 2022: 106) One firm that creates such individual plans is Tony's Chocolonely. In it, they introduce new farming practices and give advice in order to increase productivity and therefore income. (tonyschocolonely.com n. d. b: 45)

iii. Environmental Protection

Another strong pillar of many Western firms' CSR-initiatives is environmental protection – often under the umbrella term 'sustainability'. In the Ghanaian cocoa sector, sustainability goals are important, especially in light of the high rates of deforestation. According to Fountain and Hütz-Adams (2022: 34f) Ghana lost approximately two thirds of its forest cover in the past 30 years despite the efforts of the Cocoa and Forests Initiative (CFI) to end deforestation due to cocoa production.

The consequences of deforestation, the resultant climate change with longer dry seasons and increasing temperatures (tonyschocolonely.com n. d.: 15), and its effects on cocoa production are already noticeable to farmers (I8).

> "Climatic change is one of the challenges that we are facing, especially because we are in a transition zone. So, before you can even produce, when you want to start a cocoa at the grassroots, at the earlier stage, before you can start cultivating, it will take a longer period. Why? Because the climatic change over here is very high. When it reaches dry season, for instance, you will see that all the seedlings that you have planted will [die]. So, you have to make replacement in the following years, retrenchments. So, these are some of the challenges that is hampering our production."
>
> (I8)

These observations are not without basis. If the current climate change trend is not counteracted, by 2050 a big part of West Africa's cocoa regions will no longer be suitable for the currently grown cocoa varieties (Fountain/Hütz-Adams 2022: 40). Different measures have been introduced to avoid this, including soil and water management, climate-centring agricultural practices, and introducing new cocoa varieties (Fountain/Hütz-Adams 2022: 41). These are easier to maintain, produce cocoa earlier in its tree-life (by year three instead of five), need less water, and can endure much higher temperatures (Fountain/Hütz-Adams 2022: 41; I8). These hybrid seedlings are obtainable through COCOBOD (I7) and governmental district offices belonging to the Cocoa Agric Sector (I1). In opposition to the seeds from the farmers' own farm, the seeds issued by the government have a higher yield and are therefore the preferred option (I1).

Additionally to these measures, farmers cooperatives have started to train farmers on environmentally friendly cocoa production and living practices in order to make the cocoa sector more sustainable (I2; I3; I10).

One of the promoted practices is agroforestry in order to re-green the lands and avoid desertification due to tree-cover loss (Fountain/Hütz-Adams 2022: 38). The farming method additionally has various positive ecological impacts (e.g.: "*[...] biodiversity conservation of flora and fauna, carbon sequestration, preserving and strengthening soil moisture and fertility, contributing to pest control, and microclimatic control such as stimulating rainfall.*") (Fountain/Hütz-Adams 2022: 37). The concept thereof, however, has not yet been commonly defined making it difficult to measure and compare the agroforestry practices and impacts of different companies. Nevertheless, Western firms claim to foster agroforestry through farmer training, the free distribution of various tree seedlings, buying cocoa from agroforestry production (Fountain/Hütz-Adams 2022: 38), offering premiums to farmers involved in sustainable cocoa production, and restoring degraded forest land (Fountain/Hütz-Adams 2022: 37). However, Tony's Chocolonely (n. d. b: 15) stresses that deforestation is often a result of farmers' financial distress and their attempt to lessen it by increasing production. This could be eliminated by paying higher prices.

While Fountain and Hütz-Adams (2022: 37) agree that making a living income is paramount to the protection of forests, Jeezer et al. (2017) argue that agroforestry could be a way for farmers to increase their income since it brings similar or even higher economic value. Clough et al. (2011) also believe that yields in agroforestry systems can compete with those of full-sun productions. Despite the possible benefits and the apparent efforts of Western firms, cocoa farmers are not yet trained sufficiently in order to turn their backs on monocultures and implement agroforestry practices successfully (Fountain/Hütz-Adams 2022: 39). An example thereof would be that most of the young tree seedlings provided to farmers to re-forest their cocoa growing areas, are cut down during the weeding season. This is due to a lack of training and that, especially during seasons with high labour demand such as weeding season, a lot of farm work is done by hired, day labour without the needed knowledge about agroforestry. (Uribe-Leitz/Ruf 2019)

Moreover, some cocoa farmers communities are currently located in protected areas and therefore face violent evictions in order to re-green the area. Such practices should be avoided at all costs to protect the farmers. Instead, planned relocations with realistic opportunities to earn a living wage should take place. Furthermore, paying farmers with farms adjacent to forest lands more can stop them from expanding their farmlands into protected woodlands out of necessity. (Fountain/Hütz-Adams 2022: 37)

Another issue connected to GAP and the protection of the environment is the use of agrochemicals, which has been widely promoted by Western companies in the past 20 years in an attempt to increase productivity (Fountain/Hütz-Adams 2022: 46). However, the application of chemicals such as fertilizer only mask deeper rooted issues such as worsening soil fertility stemming from monocropping. GAP measures should therefore focus on regenerating activities, integrated pest management, diverse agroforestry (as described above), and a shift to organic fertilizer. (Fountain/Hütz-Adams 2022: 45) Despite the pro-chemical lobbying of the West, farmers generally seem to be aware that the majority of Ghanaian cocoa farms do not need to constantly apply fertilizer since the soil is rich and fertile. This is especially true for young cocoa trees. Only once the trees have matured (age 15-20), the application becomes necessary. (I4: I10) Moreover, to educate local farmers further, extension officers have provided training for the farmers, which thought them more about approved chemicals and how they are applied properly (I10).

Fertilizers are not the only chemicals used in cocoa production. Insecticides are a crucial tool for pest control (I1). They are usually sprayed in May and June, also referred to as the spraying season (I4). These insecticides, as well as the pesticides used to prevent cocoa tree diseases, are highly hazardous (Bateman 2015: 8; Pesticide Action Network UK 2018) and controversially, many of the ones used in West Africa are banned by law in the EU due to their adverse effect on human health and the environment (Fountain/Hütz-Adams 2022: 47). In Ghana, however, these chemicals are used – often without the proper protective gear (Pesticide Action Network UK 2018: 2). The lack of training and illiteracy among farmers and sprayers (Osei-Owusu/Owusu-Achiaw 2022) further lead to farmers keeping fertilizer and pesticides in close proximity to food, both in terms of consuming beverages and food on the farm during spraying and their storage at home. Moreover, often their storage is often not child proved and therefore accessible to young children. (Ogunjimi/Farinde 2012: 188ff) Especially the latter is concerning, knowing that in the years between 2010 and 2020 the number of pesticide-exposed children has risen by 500% (NORC 2020: 77). The consequences thereof are long term health issues for the children such as respiratory diseases, cognitive impairment, and cancer. In utero exposure further poses the risk for miscarriage and birth defects (HealthyChildren.org 03/05/2020). Therefore, both children and pregnant persons should never handle agrochemicals (Fountain/Hütz-Adams 2022: 47).

Nonetheless, health implications are not the only issue faced by farmers in regards to agrochemicals. They have also become increasingly expensive with a price explosion in 2022. This not only forced farmers to go into debt leading to a lower net income due to the high costs of the chemicals as well as additional labour required. It moreover drove them to being dependent on the government, who had to subsidize prices. (Fountain/Hütz-Adams 2022: 46)

For a while (3-4 years), fertilizer was given to farmers for free by the government but after corruption and smuggling issues (Abu 00:09:24), the free government fertilizer was turned into a credit driven subsidiary for farmers who cannot afford agrochemicals on their own (I9). These government support measures not only come in form of fertilizer that can be paid after the harvest and sale of the cocoa, but also through sprayers deployed by the government through CODAPEC (Cocoa Pest and Disease Control), who come around cocoa farming communities to spray pesticides and insecticides for the farmers. However, some farmers reported that these measures never reached their farm. (I2; I4; I8; I10) Odae (00:10:24) explained:

> "When the spraying gang came around, we didn't get some. We are many here, so if you are not aggressive enough, they will spray one or two farms and tell you they are done. For the pesticides, we were given but the machines that we would use for the spraying, is what we do not have. For some people, if you give them the insecticides, they would not be aggressive enough to use it so you will find out that at the end of the year they still have the pesticides untouched."
>
> (Odae 00:10:24)

The situation of being given one input but not the other that the first is dependent on, seems to be a common scene. One COFA farmer (17) too mentioned that they were supplied with organic insecticides by COCOBOD, who were also supposed to provide the fuel needed for the spraying machines. However, when requiring about it from the local extension officer, they were transferred elsewhere and there, they did not know anything about organic cocoa production and the fuel needed. Therefore, the organisation was left with government issued insecticides and no means to use them. (I7)

Moreover, the quantity of subsidized agrochemicals often is not enough and the farmers still have to go into debt to buy the remaining quantity on their own (I1; I5). Some cooperatives try to help each other as I9 mentions:

> "We are putting ourselves together for getting 2.000 bags of fertilizers to the cooperative. As we talk now, the government has maybe to supply 40.000 bags of fertilizers to us and that is going to help us a lot."
>
> (I9)

Generally, the access to fertilizer and credit is easier for farmers in cooperatives since COCOBOD provides the coops with inputs to sell to their members. However, access is still restricted even for cooperatives since they need a guarantor in the form of an LBC in order to guarantee that the loans are paid back to COCOBOD after the harvesting season. (I10)

Despite all the difficulties in obtaining and affording agrochemicals, farmers still use them since they can increase yields and therefore productivity (Fountain/Hütz-Adams 2022: 46). One way farmers obtain additional inputs aside from government interventions is through productivity packages and credits from Western firms. While the inputs obtained through this channel replace some of the agrochemicals that farmers previously bought themselves, it hardly ever increases chemical use or encourages farmers who did not use any before to start doing so. (Kuit et al. 2021: 80)

c. Traceability and Certification

The traceability of all ingredients of chocolate products, and cocoa in particular, is one of Tony's Chocolonely's most important pillars on their way towards reaching their CSR-goals (see tonysopenchain.com n. d.) and is included as second of five sourcing principals. This is because it is important to know who, where, and under what circumstances the cocoa a firm buys is cultivated. Without this information, problems cannot be identified nor can changes be made. Therefore, the company believes in directly buying from cooperatives and farmers in order to trace beans from plot to bar. (tonyschocolonely.com n. d. b: 22) This has become more important for other companies as well (Fountain/Hütz-Adams 2022: 80). Therefore, despite only being mentioned by a single interview partner and hence could have been put under the chapter on positions not taken, a subchapter on traceability is added here. Certificates then again have been a greater part of the interview transcripts and are discussed here in connection to the traceability of cocoa since I believe that the two to a certain extend go hand in hand.

To begin with, traceability is an important step towards more transparency and accountability within GVNs and increase the effectiveness and credibility of CSR (Fountain/Hütz-Adams 2022: 101). Nonetheless, traceability levels of cocoa are still low (less than 50% of cocoa worldwide) and only cover a part of the GVN. Most beans are only traced from FMOs onwards and therefore conceal which farm or plot the beans originate from. (Fountain/Hütz-Adams

2022: 36) This information, however, is crucial since "*knowledge about the origin of the cocoa comes with knowledge about poverty, malnutrition, child labour, underpaid workers, other human rights violations, and deforestation.*" (Fountain/Hütz-Adams 2022: 80) From this statement it becomes clear that the benefits of full-GVN traceability would be manifold. Deforestation for example can hardly be combated without knowing where the beans come from and whether or not their growing areas are within or adjacent to protected woodlands or areas of recent deforestation. This fact has also been recognised by European law makers of the European Commission, who added traceability of imported commodities to plot level a condition in the forthcoming "Deforestation Regulation". (Fountain/Hütz-Adams 2022: 35) This move could be seen as an admission of responsibility by Western companies in regards to environmental protection in supplier countries as well as a step towards taking responsibility for human rights due diligence within GVNs. For both of these areas, traceability is a key prerequisite that is connected to both costs to establish it and follow up costs to deal with the issues it uncovers (e.g. child labour, poverty, limited healthcare, deforestation). Companies therefore focus on traceability to various degrees and in different ways with grinders and traders traditionally being more progressive in the matter. While some firms choose reliable tracking methods such as GPS localisation and polygon-mapping, others rely on self-reporting from farmers cooperatives or data from standard-setting organisations. (Fountain/Hütz-Adams 2022: 80) The extent to which cocoa is traced by different chocolate producing companies can best be seen in the following figure.

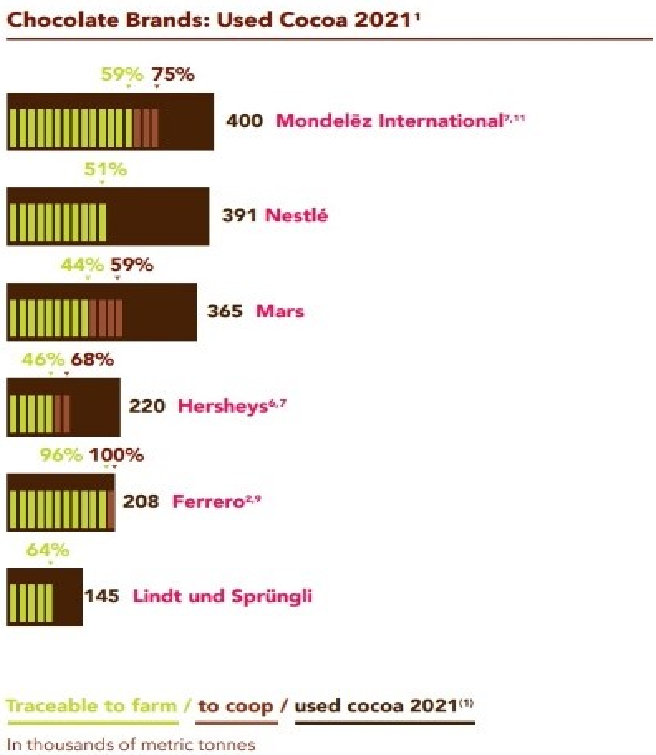

Fig. 21: Percentage of traceable cocoa by chocolate brands, 2021 (Fountain/Hütz-Adams 2022: 79)

The figure shows that Ferrero claims, as the only company listed in the figure, to solely use cocoa that is traceable to the first buyer or farmers cooperative and 96% to farm level. Moreover, Ferrero states that 88% of the farms producing their cocoa are polygon-mapped and all of them are certified (Fountain/Hütz-Adams 2022: 81f). Mars, on the other hand, uses the least amount of traceable cocoa with only 59% traced to coop-level and 44% all the way back to the farmers. The other companies reside somewhere in-between the two. Notably, larger companies with higher volumes of cocoa beans and perceived greater financial opportunities do not use a greater, relative amount of traceable beans than the smaller firms.

Nevertheless, the relatively high numbers of traceable cocoa throughout all listed firms are deceiving because while the cocoa beans are traced, most companies use cocoa butter of unknown origin. (Fountain/Hütz-Adams 2022: 82) Tony's Chocolonely is a noteworthy exception since they have been using traceable cocoa butter since 2016 (Fountain/Hütz-Adams 2022: 82; tonyschocolonely.com n. d. b: 3). Lindt & Sprüngli too have recognised the issue and set their goal to make the cocoa butter they use 100% traceable by 2025 (Fountain/Hütz-Adams 2022: 82). The second figure on cocoa traceability now focuses on traders and processing firms.

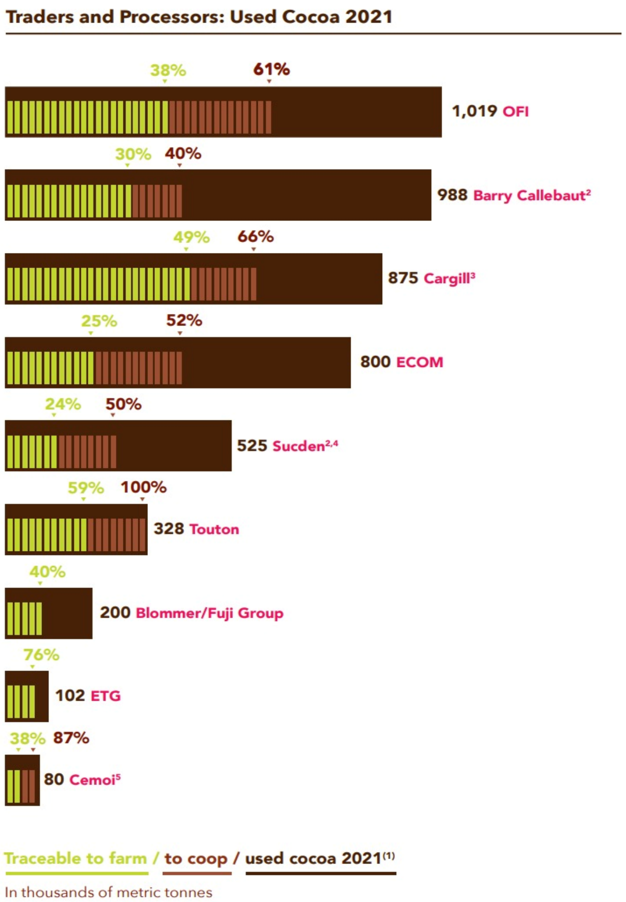

Fig. 22: Percentage of traceable cocoa by processors, 2021 (Fountain/Hütz-Adams 2022: 81)

Similarly to the chocolate companies, percentages here too span from 100% traceability (59% to farm level) at Touton to only 40% and 30% respectively for farm level tracing for Barry Callebaut, the processor used by Tony's Chocolonely (see tonyschocolonely.com n. d. b: 37). Both figures above show just how much of the global cocoa trade is not yet transparent and traceable.

Tony's Chocolonely (tonyschocolonely.com n. d. b: 46) prove however, that this is not necessary. The company's cocoa and cocoa butter is 100% traceable. They claim that each bean can be followed from the farmer to the bar with Tony's always knowing how much each of their partner grows and delivers to their cooperative and from there to CMC and then through the processor to the manufacturer. To do so they invented the bean-tracking software called Beantracker using ChainPoint technology. (tonyschocolonely.com n. d. b: 46) The software allows for the tracking of volumes and farm-plot origin for all beans within a shipping container. The data rights for the data created through the Beantracker belong to the partner cooperatives, who can use it to make informed decisions. The system could moreover be easily implemented by others. (tonyschocolonely.com n.d. b: 47)

In terms of the interviewed farmers, they only mention traceability once and in connection with the farmers' choice of LBC and the involvement of the farmers cooperatives. The farmer (I10) stated that as a cooperative, they advise farmers to choose a single LBC, especially when they are part of a certification programme, in order to assure the traceability of the cocoa.

Other measures taken to ensure traceability and separation of traceable from non-traceable cocoa are explained as follows:

> "A farmer within that blocked land, demarcated land, cocoas are collected [as] organic beans. So, if you are not within that area, that enclave, your beans cannot be collected as organic, because we don´t know, [which] chemicals you used. And then also, if you are not among our listed farmers, your cocoa also cannot be taken as organic. That is why we have the national warehouse and the organic warehouse. It has been divided so we do not mix the organic and the non-organic in one area."
>
> (I7)

Certificates indeed play a major role in making GVNs more transparent and increase the profit for farmers through the premiums they add to the farm gate price. Moreover, they allow farmers to access additional resources and strengthen farmers cooperatives. Such opportunities reach from village savings and loans associations, to premiums, training, and better child labour monitoring possibilities through CLMRSs. (Fountain/Hütz-Adams 2022: 84)

Since certificates are usually not issued to a single farmer but to a cooperative, the additional support and income available to certified members is a driving factor for farmers to join coops (I2). Important is that Fairtrade for instance only certifies farmers cooperatives. Therefore, some farmers associations get into the progress of becoming registered cooperatives in order to gain access to premiums and support. (I8; I10) This leads to an increasing number of certified and organized farmers. One interview partner (I8) also perceives that there are an increasing number of firms that offer certifications or use certified cocoa for their chocolate and adds:

> "[C]ertification brings training and all that. So, now that farmers are more equipped in terms of knowledge how to maintain their cocoa farm, yes. And the extension service too has also intensified."
>
> (I8)

Another one (I10) believes that certificates have improved the chocolate industry and farming practices because farmers want to keep up with the standards of the certifications for the purpose of getting the premium. Therefore, they promote some elements of labour standards (I3). An example thereof would be that farmers refrain from using unapproved chemicals in order to not lose their certification (I2; I8).

Certification schemes, however, deliver their premiums in various ways. One of the reasons farmers tend to prefer Fairtrade over other certificates is that Fairtrade, unlike other certificates who distribute premiums through the involved LBC, pays their premium directly to the certified farmers cooperatives. This means that farmers themselves can decide what they want to do with the money, making the process more transparent and transferring agency to the farmers. (I8; I10) Farmers cooperatives often collectively decide in annual general assemblies, how the Fairtrade premiums should be used (I8), making them a useful tool to address informal activities (I3). When certificates like UTZ pay out premiums through the LBCs, the latter also decide what happens with the money without the farmers' input (I8). Therefore, farmers (I10) feel like "*Fairtrade more or less empowers the farmer, more than the other. You know, Rainforest is more concerned about biodiversity.*" (I10)

Moreover, certifications tend to decrease the distance between sellers and buyers, which is perceived as positive by farmers (I2).

Though, the question remains whether or not certifications are the best tool to resolve CSR issues. However, they do show that standard organisations like Fairtrade and the Rainforest Alliance advocate for more than their own standards (Fountain/Hütz-Adams 2022: 84). On the other hand, more and more cocoa and chocolate firms launch their own sustainability programmes such as the Cocoa Life seal (Mondelez) or Nestlé Cocoa Plan (Nestlé). These developments could mean that large LBCs could soon choose their in-house programmes over third party certificates. Consequences thereof could be a loss of transparency and a deterioration of the cocoa circumstances. (Fold/Neilson 2016: 205; Fountain/Hütz-Adams 2022: 85; Maile 2020: 45)

Yet, there are difficulties with all certifications. One of them is connected to the level of knowledge the farmers have since it takes research and therefore time and access for them to understand how certifications can help them (I2). Moreover, the certification process needs to be understood well, is a lot of work to go through, and includes several audits by Fairtrade representatives to make sure the cooperatives can keep up with the set standards (I10). Another issue raised by the farmers (I2) is that sometimes they experience difficulties with payment. However, they did not elaborate further.

Overall, the regulation of the cocoa GVN and its CSR practices can be split into three eras beginning with industry initiatives in the early 2000s as described in the chapter on child labour. This was followed by an intense certification era with independent certificates such as Fairtrade on the rise between 2009 and 2014. Lastly, a growing number of firms have tried to establish their own supply chains and certificates since 2015. (Thorlakson 2018: 1656)

d. South-North Supplier Relationships

As discussed in my chapter on neo-colonialism and the history of cocoa, the relationship between the raw material suppliers in the Global South and the manufacturers as well as consumers of the West is shaped by inherent power imbalances. These stem from (neo-) colonial times and ideas and are still actively experienced by cocoa farmers in Ghana today.

To begin with, the farmers feel removed from the decision making process regarding their own agricultural practices and lives. Moreover, they are well aware of the disconnect between the realities of decision makers and themselves as the following quote shows:

> "The whole thing is, they are not really telling them what is on the ground. I hope you are getting it?! We are doing the job. And we know the kind of challenges, we are going through. So, we can tell them better. Cause you are in an air-condition-car, you don´t know what is happening in a bush. So, we can tell them better, so that is why we are saying that they should even include us […] in decision-making."
>
> (I9)

Some farmers even go so far to say that people should first work on a cocoa farm for a while, before they can make any decisions regarding the producers (I8).

This criticism moreover does not only go towards decision makers in chocolate producing companies and cocoa processing firms. They also apply to foreign auditors, since as one interview partner (I3) said: "*They have no perspective. They don´t even understand.*" (I3) Such audits for example are done by auditors from the Netherlands who visit Ghanaian farms in order to monitor the use of synthetic chemicals in organic production (I7). They usually require plenty of documentation (I7) and are guided by standards regulated by a contract that defines breaches and the consequences thereof. Both Soundararajan (2021: 3) and Fountain and Hütz-Adams (2022: 57) criticise the practice of auditing by foreigners since they can foster bribery and the concealment of problems. This aspect is touched on in more details in the chapter IV.c.i. “Neo-Colonialism in the GVN”.

Another form of exclusion already mention in said chapter, is that the general dialogue on the cocoa production and surrounding issues is held everywhere but close to the producing countries. Cocoa farmers are usually not invited to speak or spectate at international cocoa conferences and the locations for them are perceived as being strategically chosen to make participation for farmers impossible due to visa and financial restraints. (see Fountain/Hütz-Adams 2022: 71) One farmer said the following:

> “And can you imagine that you are doing a cocoa conference on Ghana and Cote Ivoire who produce 75% of the world cocoa? [But] then you are there at a cocoa conference [in] Washington DC and when they have to participate, they have to pay.”
>
> (I3)

Cocoa decision makers are able to practise these forms of gate keeping due to the power imbalance between the players. In comparison with the farmers, the big multinational companies upstream in the value network are well organized, have plenty of resources (both financial and other), and can therefore react quickly to any changes within the company and their environment. Farmers on the other hand are slow adapting actors with limited resources. (I3) One interview partner compared the two players to a boxing match between an ordinary person and Mike Tyson by saying the following:

> “And we think that when you put a farmer and a multinational company to address an issue: price of cocoa, input supply support, and all those things. It is like putting you and Mike Tyson in the boxing ring. What is the result? First round defeats. You didn´t beat Mike Tyson. So, the whole value chain has a lot of inequalities. And when you look at the value chain, the top of the value chain, which is the multinational companies, are very well organized, very strong and with a lot of strategies and resources. Then you come to the other player that is the farmer, on the other side of the value chain. He is not even well-organized, he is ostriching and working and working and tiding and working so hard. […] Yeah, and it´s about struggles, it is about power, it is about finance, it is about everything.”
>
> (I3)

These differences in power also translate into the compensation with farmers only making six percent (Maile 2020: 33) of the total profit made from the cocoa they grow and when Ghanaian farmers try to increase their share of the profit by for example grinding and manufacturing cocoa products themselves, the West uses its power to hinder the export of them (Abu 00:16:11). On the other hand, the West is looking for a constant supply of cocoa beans of a certain grade and quality at the lowest price possible in order to maximise their profits from chocolate products. To reach this goal, companies follow different strategies. One of them is to decrease the distance between manufacturer and cocoa farmer – two actors that historically under the Ghanaian cocoa trade system do not interact directly. By building a relationship buyers now try to increase the farmers' commitment to sell their cocoa to them, often through cooperatives. The establishment of new farmers cooperatives by Western companies as part of their projects leads to further segregation of cocoa production in the eyes of some farmers. (I3) Others (I2; I7) believe that direct communication with buyers and not through the LBC as an intermediary strengthens the cooperatives and their members. They (I2; I7) state that these farmers organisations are more sustainable, greater agency, and have better access to support in terms of productivity and production. One interview partner gives this example:

> "Because if a farmer here in COFA is having a buyer, direct buyer, […] and then he can come down to sit with us and then negotiate for affairs. […] [W]e need this type of quality […]. This is our constraints; this is our problem. So, I think you can support us a bit. Because you are buying from us through LBC. So, we can negotiate the other way round with the buyer and then we can also be a little bit relief[ed]."
>
> (I7)

This is because the closer relationship does not only commit the farmer to the firm but also the other way around. Longer commitments between buyer and seller might increase the interest of the firm to support the farmers by being more aware of the conditions they produce under and a sense of responsibility that can result in premiums or support funds that are used to increase future cocoa production. (I2) Moreover, they (I3) believe that chocolate manufacturers and cocoa farmers should have more engagement in order to level their different interests. Increased dialogue could lead to better achievements regarding sustainable development, better labour conditions, and stronger unions for all actors in the cocoa sector. (I3)

Yet, even if there is direct contact with buyers, farmers cannot sell to them directly since export privileges are solely held by CMC. This inability to export directly and government control might hold Ghanaians back from entering the cocoa market due to the fear of not being able to enter long-term, profitable contracts with Western Firms. (I2) Tony's Chocolonely, however, wants to change this situation and encourages cocoa buyers to enter into long term relationships with their supplying partners. This is their fifth sourcing principal and aims at giving farmers income security through (at least) five year contracts at living income levels so that they can plan their futures and make investments. (tonyschocolonely.com n. d. b: 22)

However, despite this sense of inter-dependency, the power imbalance between the two sides of the production network prevail and are visible in all areas in the cocoa trade. This is especially the case for cocoa pricing as extensively discussed in the chapter V.a.iii. "Ghana's Cocoa Price Setting Mechanism" as well as below, with farmers having no say about the price they want to sell their cocoa at since it strongly depends on the world market that even the Ghanaian government through COCOBOD cannot influence.

e. Cocoa Price

The following chapter now focuses on the most often referred to root cause of farmers' hardships: the current cocoa price (see Fountain/Hütz-Adams 2022; Maile 2020; Mühlleitner 2020). This topic was further raised by almost all interview partners, both from the analysed transcripts as well as in the documentary making it seemingly important to both farmers and scholars.

Additionally, while all measures to eliminate poverty mentioned in previous chapters probably do work, they are usually middle to long term solutions. Yet, poverty relief is needed immediately and the only way to reach that goal, is to pay higher cocoa prices to the farmers. (tonyschocolonely.com n. d. b: 15)

i. Living Income

Fountain and Hütz-Adams (2022: 10) define a living income as "*[...] the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household.*" As a human right, this definition includes the access to sufficient amounts of food and clean water, housing and clothing, healthcare, education, transport, other essential needs, and savings in case of unexpected adverse events. (Fountain/Hütz-Adams 2022: 10) In Ghana, the living income amount is equal to 1.96 US dollars. In 2018, farmers only made around 0.78 US dollars, which is less than half the income required for a living income. (tonyschocolonely.com n. d. b: 10)

This shows that for many farmers, a living income as by the definition above is still far from reality, particularly in light of the ongoing cost of living crisis and high inflation rates (Fountain/Hütz-Adams 2022: 27; I8). In 2022, the inflation amounted to 37%. In combination with the depreciation of the Ghanaian Cedi, this led to lower net incomes for cocoa farmers. This happened despite the introduction of the living income differential in Ghana in 2019 (Fountain/Hütz-Adams 2022: 28f) and an increase of the farm gate price by 21% in 2021 (Fountain/Hütz-Adams 2022: 77).

This is especially concerning because chocolate companies simultaneously have made record profits. Regardless of this context, no large cocoa-dependent companies have paid farmers above farm gate level. (Fountain/Hütz-Adams 2022: 11; tonyschocolonely.com n. d. b: 15) Even though, only a small increase in profit share, could make a significant difference for farmers in producing areas (Fountain/Hütz-Adams 2022: 13).

On a positive note, smallholders' incomes have at least become a talking point amongst larger chocolate and cocoa companies after the International Cocoa Organization (ICCO) proclaimed that "*[b]usiness as usual in the cocoa sector is no longer an option. We have to break the mould [...] because the cocoa sector will not be sustainable if farmers are not able to earn a living income*." (ICCO 25/04/2018) This is because the financial constraints of farmers are intensifying all issues within the cocoa sector. Financial pressure leads to child labour, deforestation, gender inequality, and other problems. Making a living income is the basis to solve all other problems in the cocoa sector. (Fountain/Hütz-Adams 2022: 10) As one farmer vocalized:

> "Once they have their best price, they don´t have any problem, you see what I mean?! They can employ labour and they can send their children to school and you understand, all these kinds of things."
>
> (I2)

The low cocoa prices, however, are not a matter of unawareness of the profitability of cocoa by the cocoa farmers. On the contrary, farmers are aware of the unfair distribution of profit within the GVN (John 00:11:40; Narkie 00:12:08). Narkie (00:11:02) recounts:

> "I attended a workshop and I met some white men They showed us baked cocoa in a small box and when he told us about the price they sell it in their country and you bring it into our currency is 40 cedis (5.55 Euro) But the cocoa is just about 20 or 15 pieces of beans. So when you really calculate how much it is relative to one bag, the profit gained would be a lot. The whites are cheating us."
>
> (Narkie 00:11:02)

The unjust prices are more so a result of power imbalances within the GVN, which make it almost impossible for Ghanaian farmers to influence the cocoa price. They simply have to accept it (Narkie 00:12:08) since the buyers are the determinants of the price (Fountain/Hütz-Adams 2022: 25; John 00:11:40).

Even though the farm base price of cocoa is decided by the Ghana Cocoa Board (Abu 00:16:11; I1), as discussed in the chapter V.a.iii. "Ghana's Cocoa Price Setting Mechanisms" above, the government has no influence on the world market price, which serves as the discussion basis for the cocoa board (Abu 00:16:11; Fountain/Hütz-Adams 2022: 25; I7). This makes cocoa one of the few commodities for which the price is set by the consumers in the West but is produced in the Global South (I1; I3). This fact is emphasised by the quasi null consumption of cocoa in Ghana because the product has little use for the producers aside from exporting it (John 00:11:40) – an activity for which cocoa farmers expect to be adequately compensated for (Abu 00:08:38). Farmers, however, do not have the agency to change prices in their favour. All they can do is try to voice their concerns to COCOBOD and the two chief farmers representing them at price negotiations through COCOSHE. (I1; I2; I10) Farmers however seem to agree on two points: 1) more farmers should be included in price negotiations (I7; I8; I9; I11) and 2) that the price should be raised (I2; I10).

As explained previously, the cocoa price is set by the producer price review committee once a year and stays steady until the next years negotiations. Besides COCOBOD and other cocoa workers, two farmer representatives from COCOSHE are involved in the discussion with the latter being perceived as the most important actors according to COCOBOD. (I3; I11) Farmers though are not happy with the current representation, arguing that farmers play the key role in the cocoa sector by producing the commodity in question. They therefore should have the major decision making power when it comes to pricing. (I8) Moreover, farmers on the ground are not sufficiently informed about the ongoings during price negotiations (I7). The constant pressure of farmers organisations has slowly affected the position of the Ghanaian government who promised that by 2021 pricing will be based on farmer proposals (I9). On the plus side, COCOBOD, being this strongly involved in price setting and forward sales, is a safety net protecting farmers against world price fluctuations (Fountain/Hütz-Adams 2022: 25).

Furthermore, COCOBOD has started negotiations with Côte d'Ivoire in order to establish a minimum floor price for cocoa in order to raise the price (I10). This cooperation between producer countries could help to establish higher incomes through prices based on production costs and living income considerations (Fountain/Hütz-Adams 2022: 108).

Higher farm gate prices are especially important in light of the increasing costs for inputs and transportation (I2). At the current low cocoa bean price, farmers face production constraints because they cannot afford the needed inputs (e. g. fertilizer) and machinery (I1). One reason for the inability of farmers to pay for fertilizer is its high price but without it, productivity decreases and incomes shrink making it even harder for farmers to take care of their family and themselves (I9).

The situation is frustrating for the farmers who state :

> "Why not we who are working hard on the field, going through all these things, you from up there, don´t know nothing about it, and you go and give me a money which OF COURSE cannot be sufficient [for] what I am working towards. So, we, by doing this, by cooperating ourselves [we] tell the people there, the senior people over there at COCOBOD that 'No, what you are dragging with the world market price is less to the farmers, you have to increase it.' "
>
> (I9)

Tony's Chocolonely (tonyschocolonely.com n. d.: 15) emphasise that sustainability projects are not enough because they usually focus on income diversification and productivity rather than an increase of the cocoa price. Fountain and Hütz-Adams (2022: 107) agree with Tony's and add that living incomes will only be achieved through systematic changes. Part of those changes could be "*[...] increased training in financial literacy and entrepreneurship, [...] access to* *loans and credit institutions, affordable credit, and recommended inputs, so that they can invest in and develop their farms.*" (Fountain/Hütz-Adams 2022: 107) Moreover, Human Rights and Environmental protection should be required by law for companies in consuming nations (Fountain/Hütz-Adams 2022: 108). An example for a company taking Human Rights seriously is Tony's Chocolonely who established both Tony's Open Chain and Colruyt Living Income Intervention in order to better cocoa farmer incomes by making good purchasing practices (Fountain/Hütz-Adams 2022: 110). Additionally, Tony's Chocolonely as well as Fairtrade developed Living Income Reference Prices (LIRPs), which consist of the basic farm gate price and additional premiums. Other companies, like Aldi, Ben & Jerry's, and Albert Heijn, have joined Tony's Open Chain and implemented LIRPs. In any case, higher prices need to be part of the solution in order to significantly raise farmers' incomes – even if living incomes are not reached (Fountain/Hütz-Adams 2022: 22).

Currently, 35-40% of all farmers in both Côte d'Ivoire and Ghana who are working with Tony's earn at least a living income. If all West African cocoa farmers would sell through Tony's Open Chain, this number would even increase to over 50% of farmers earning living income wages. (tonyschocolonely.com n. d.: 32)

The figure below shows the effects an increase of cocoa bean kilo prices has on the net income of Ivoirian cocoa farmers. The figure further combines the data with different yield amounts. The figure shows three things. Firstly, increasing yield amounts without increasing farm gate prices only marginally raises farmers' incomes towards the LIRP. Secondly, yield increases over a certain amount actually decreases farmer's net income due to the stark hike in needed hired labour and subsequently expenses. Thirdly, the only way to come close to reaching the LIRP, is to double the cocoa bean kilo price, while simultaneously reaching higher yields through an increase in productivity. Only increasing the cocoa price without increased productivity does increase income but only to around 65% of the living income threshold.

Fig. 23: Effects of higher kg-prices and yields on net income, Côte d'Ivoire (Fountain/Hütz-Adams 2022: 23)

One of the arguments often used against raising prices is the fear of overproduction (Fountain/Hütz-Adams 2022: 25; I3). Opponents of LIRP believe if prices get drastically higher, farmers will produce more cocoa than is in demand. However, this is unlikely since political mechanisms can curb overproduction. Moreover, since new cocoa trees take up to five years to produce fruits, cocoa farmers' responses to price fluctuations are slow. (Fountain/Hütz-Adams 2022: 25) Chocolate companies on the other hand, have the financial and structural means to react quickly to any changes in the cocoa trade. For instance, when cocoa production rates are low or prices high, chocolate manufacturers change their marketing output to promote "*[…] the consumption of products with less cocoa content*" (Fountain/Hütz-Adams 2022: 26), making the profitability of cocoa seem independent of its main ingredient: cocoa (Fountain/Hütz-Adams 2022: 27).

Some farmers' experiences in regards to overproduction could further support the idea of raising prices in the sense that paying higher cocoa prices, might hold the excess focus on productivity. One explains:

> "Four years all of us talked about increasing cocoa productivity, because when we increase cocoa productivity it will increase cocoa pricing. What happened? It is the opposite that happened. It hit all of us on the face to the extent that in Cote Ivoire they have to reduce cocoa prices for the farmer. Because the global cocoa price reduced. So, we cut it, but when that happened it means that government must keep subsidizing. And it is taking from

> education. It is taking from health. And that is not fair enough […]. So, it has proven that increasing cocoa productivity not necessarily increase the wellbeing of cocoa farmers.”
>
> (I3)

Therefore, paying farmers higher cocoa prices is the only way to better their income situation, especially knowing that focusing too much on productivity leads to a lower net income. This is due to both price drops due to overproduction, and because of the increased need for hired labour (see the figure above).

Though, one group of farmers is often forgotten in discussions on living incomes. This group includes day labourers and non-land owning farmers. Most of them work precariously, temporarily, and without a contract. Day labourers, especially plantation and female workers, are paid far less than living income wages. (Fountain/Hütz-Adams 2022: 62f) Many can and will not work for such a low pay, while farmers cannot afford to pay higher wages due to their own financial constraints. (Fountain/Hütz-Adams 2022: 63) This makes it more difficult for farmers to hire labour, which (as I explain in the chapter on child labour) puts children at risk of exploitation.

This is another example for why price raises are necessary but best combined with other, well-deliberated CSR-efforts in order to tackle issues surrounding the cocoa trade. Good Agricultural Practises as argued above are an important measure for farmers to reach productivity goals in a sustainable manner and therefore not harm their environment. Moreover, education for both farmers as well as their children needs to be provided, healthcare plans should be established, and the infrastructure in cocoa growing areas should be improved. (Fountain/Hütz-Adams 2022: 23)

These improvements could decrease financial losses that farmers face due to financial constraints and quality deficits of their cocoa. For instance, one farmer (I2) reports that

> “sometimes when [the cocoa] doesn´t dry well, and […] he needs money, and he has to go and sell it, sometimes [the LBCs] have to say, ‘Ok, this one is not well dried’ and therefore they have to sell it [at] a cheaper price, and then the Licence Buyer will redry it before they deliver to CMC.”
>
> (I2)

These circumstances could be avoided with both better agricultural practises as well as access to financial support (I2).

Access to finances indeed seem to be problematic for many farmers (I1; I2; I3; I5; I6; I9; I10). One reason named for these circumstances is the seasonality of cocoa. This means that cocoa is only sold during two harvesting seasons intermitted by periods without any income. The problem though is that periods with no income from cocoa sales are input heavy seasons (e. g. spraying, planting, weeding). Since many farmers do not have savings, they are dependent on credits in order to buy the needed inputs or hire labour. (I10) However, getting loans through commercial banks is almost impossible for cash-constraint farmers (I2; I9; I10). Many of them therefore join or establish farmers cooperatives through which they obtain access to financial support from banks (I9). Common forms of support given to cooperative members by banks are either loans with lower interest rates (I6) or pre-financing of machinery at a cheaper price (I5). Nevertheless, even with access to financial support, cocoa prices are too low and drive farmers out of the cocoa sector. Since Ghanaian soil is fertile, cocoa production is not the only option for farmers who could also use their farmland to produce rubber or palm oil. To do so, cocoa trees are removed and the soil is reused to plant other crops. Another alternative for some cocoa farmers is using their land for surface mining, which, while being very profitable, destroys valuable farmland. (I3)

Therefore, in order to both assure cocoa supply in the future and allow current cocoa farmers to earn a living income, it is of upmost importance to adhere to Tony's Chocolonely's first sourcing principal. It calls on all cocoa buyers to pay farmers the living income reference price. This price is higher than the farm gate price and the added certification premium (e. g. Fairtrade) combined and hence allows farmers to earn a living income. (tonyschocolonely.com n. d. b: 22)

ii. Premiums

One way companies and certification programmes work to raise farmers' incomes as well as tackle some CSR-issues is through premiums. Premiums are a set amount of money paid by buyers to the farmers on top of the farm gate price if they adhere to their standards (I8). Often, these premiums are paid through the LBCs who are in direct contact with the buyers (I2). In the case of certification programmes however, some programmes do not pay the premiums themselves but rather act as an intermediary (I8).

An example for a certification programme paying volume-based premiums is Fairtrade (I2). One way cooperatives increase their volumes and therefore premiums is by collectively sell their cocoa (I7; I8). To do so, the coops collect the beans from their members, get the premium for the total yield of the cooperative, and either pay out the share to individual farmers equal to the members' produced amount (I7) or collectively decide what the money is spent on during annual general meetings (I2).

Fairtrade has one other benefit compared to other certificates such as UTZ because it sets a flat rate buyers cannot go below. With UTZ on the other hand, the buyers themselves choose the amount of the premium paid. This puts the power into the hands of Western chocolate companies. (I8) One farmer therefore suggested that COCOBOD should be the certifying party

who pays bonuses to farmers who uphold certain production standards and meet given criteria. This way the power stays within Ghana and the cocoa system could be changed. (I10)
Tony's Chocolonely has been paying their farmers cooperatives premiums since 2013 (tonyschocolonely.com n. d. b: 3). These are prefinanced by the firm and include a coop fee that goes to the cooperation. This fee of 50 US dollars per metric ton is used by the cooperatives to fund their own operations and pay the rest forward to their members (tonyschocolonely.com n. d. b: 43). From the 6 490 561 Euro in premiums paid in 2021/2022, 77% go directly to the farmers. This helps to close the gap between farmers' incomes and the LIRP. On average, the gap amounts to approximately 70% that farmers earn less. For long term partners of Tony's the gap is around 9%. (tonyschocolonely.com n. d. b: 43)

f. Other Challenges and Needs

This chapter holds space for CSR-related issues mentioned in the interview transcript but that do not fit into the previous chapters. However, I believe these topics are just as deserving of being discussed because they might not yet have been the focus of Western firms' CSR-activities.
One of the repeatedly mentioned topics directly connected to CSR-practices was the insistence on self-determination of needs and the focus on community development. One farmer for example said: "*So, a society gets to choose what their current need is. Some wants portable water. Some wants nursery schools for their kid.*" (I10) I interpret this statement as a call for Western companies as well as NGOs in the cocoa trade to work closer with local farmers and to establish their CSR-goals in accordance with the farmers' own needs rather than perceived ones. This is especially true for NGOs in the cocoa sector who do support farming communities by bettering healthcare availability or access to drinking water. However, because they are usually not cocoa workers nor traders, they are seen as uninformed on how to successfully support the cocoa sector specifically. (I2) On the other hand, Buckley et al. (2017: 1051) believe non-governmental organisations have important knowledge and insights into communities that MNEs could benefit from.
Today's actions by the West are seen as insufficient in the sense that merely focusing on productivity is not enough to empower cocoa communities in the long run. Instead a balanced approach to both productivity and community development should be taken by empowering farmers, supporting cooperatives, and increase training. (I3) Another interview partner in the documentary states:

> "I'm very happy to work with ABOCFA and I am very happy to be a farmer but what I want our external buyers to do, if they can, is that they should, apart from paying the premium, they should try as much as possible to come and support us fully to do certain community developmental projects. Example putting up kindergarten schools, buying computers and other things for the community schools in the communities where they buy their cocoa from or where they source their cocoa from."
>
> (Amoanih 00:15:35)

He lays a focus on education which would impact the education of future farmers. Within the same realm, Obeng (00:18:06) calls for more investments into cocoa research in Ghana.

While many farmers in the transcripts I have analysed seem to agree on multiple issues, on a national level Ghanaian farmers lack unity and therefore a collective voice (I3; I7; Odae 00:13:51). This is not only due to the lack of farmers organisation, especially before 2010, and the high number of smallholders (I10) but also because the cooperatives that do exist are small (I3). Too many small cooperatives within a community do not foster solidarity nor are they able to advocate for change. The same is the case when Western firms have a strong influence on the cooperatives. Therefore, it would be of importance to foster farmers organisations without taking away their independence. This would strengthen the influence of farmers and promote their interests. (I3)

However, organizing farmers is not as easy as creating awareness and asking them to join. Forming an organisation is expensive, especially for low-income farmers. Furthermore, the benefits cooperatives bring, are long-term and do not offer immediate relieve. This is an issue "*because when people are hungry today and we are organizing them, they want a benefit, they want to eat.*" (I3) On top of these expectations that cannot be fulfilled, farmers are asked to pay dues adding another financial burden when entering. Though, dues are usually low in agricultural cooperatives and unions. Yet, they increase the commitment towards the organisation and push farmers to participate in trainings and development projects. (I3)

Despite the fees, some cooperatives experience problems because of uncommitted farmers. One interview partner (I10) explains:

> "Sometimes you have farmers that are not ready to… let me say it this way, you lead them to do things and they will create a whole lot of problems. You lead them to assess credits and then they will not pay. And then it becomes a problem for the secretaries because they sign the undertaking and guarantee for the farmers. So, it becomes a burden on the cooperative because some farmers refused to do the right thing. Let´s put it this way, some farmers refused to do the right."
>
> (I10)

This form of free riding is as much an issue for farmers cooperatives as governmental and non-governmental development programmes that provide free access to services and inputs without the attached prerequisite that farmers must be organized to benefit. This is a result of financial investments necessary in order to form cooperatives and the foregoing of them by handouts. In other words, if efforts to organize themselves in order to increase their farming knowledge and power requires money in the long term, and handouts are free and have some of the same benefits, some farmers are prone to choose the free, short-term assistance for reasons previously discussed. (I10)

Another issue, not connected to farmers organisations, is the access to land. Since it is not easy to acquire additional land without increasing deforestation rates, some farmers do not see a future in cocoa farming for their own children. They therefore have to encourage their children to seek other employment, which means additional costs in order to enable the next generation's education and increased chances for a more profitable stream of income. (I4)

This shortage of next-generation-farmers (also partly due to costumes such as daughters moving into the husband's compound after marriage (I4)) and the low incomes force farmers into working until well after retiring age. In fact, the average age of Ghanaian cocoa farmers is around or just above 50 years (I3). However, this is not solely due to young farmers aging. A part of the farming community is further made up of former, retired government employees who cannot live off of their low pensions and hence seek additional streams of income through cocoa cultivation (I4). Actually, farming after retirement is a common occurrence in Ghana (I5). Cooperatives also confirm the advanced age of their members and admit that this leads to a range of problems (I3; I4; I8).

Firstly, elderly farmers are no longer able to do the same amount of work, leading to decreased sales and hence income for both the farmers and the coops (e.g. through volume premiums). Additionally, money has to be spent on hired labour to for example do more straining activities such as weeding. (I4)

Secondly, cooperatives strive to change the current system and implement new farming techniques aiming at increasing productivity and sustainability. However, the advanced age of the farmers make this more difficult because some hold on to traditions and others have difficulty understanding during trainings. (I8)

Therefore, cooperatives wish for more young and educated farmers to join them and their cause (I4; I8). One way to reach that goal and to also free up land for the next generation of farmers would be the introduction of a pension scheme. So far this is non-existent despite the hard work farmers do within an important exporting sector. (I9; John 00:14:48) According to interview partner I3, the government is aware of this problem and together with farmers cooperatives and GAWU, COCOBOD has started discussions on the implementation of pension schemes for cocoa farmer in order to attract the younger generation. They state: "*most cocoa farmers are* *already above pension age. Mhm, but there are also young cocoa farmers, young cocoa farm workers, all of them deserve a pension.*" (I3)

Fountain and Hütz-Adams (2022: 19) discuss the possibility of adapting land-redistribution policies from the 1960s and 70s in Western Europe to West Africa. The scheme includes elderly farmers giving up their farmland in return for a lifetime pension. The newly accessible land could then be reallocated to either young farmers with the requirement of using agroforestry methods and new technologies, or to farmers who currently farm within protected woodlands. This way, all parties would benefit. Elderly farmers could retire without fearing poverty, the cocoa sector would become more professional and modern, yields could improve, and deforestation would decrease, whereas possibilities for reforestation would be increased. (Fountain/Hütz-Adams 2022: 19)

Besides pensions, farmers also lack sufficient insurance and affordable healthcare for themselves and their families (John 00:14:48). This is especially concerning due to the location of cocoa farms. Not only is there an insufficient amount of clean drinking water, but they are also in an area where tropical diseases such as Malaria occur. Because of the expensiveness of the few existing healthcare facilities in rural areas, farmers often delay treatment, ultimately making it more expensive and difficult to treat. Collectively, poor health negatively affects cocoa production both in terms of productivity and child labour numbers. (Fountain/Hütz-Adams 2022: 64) Tony's Chocolonely (tonyschocolonely.com n. d. b: 40) state that good healthcare has become available to their partners in 2021/22. Most likely, this was made possible through partner cooperatives like ABOCFA who stated that all their members and their family have been registered under the National Health Insurance Scheme (abocfa.com 2022).

Another issue brought up by cocoa farmers that would better cocoa communities was the increase of the amount of domestically processed cocoa (Abu 00:16:11; Narike 00:17:51). Not only would processing the cacao in Ghana increase the profit going to producing countries rather than the West (Abu 00:16:11), but it would also create additional income revenues by creating jobs for the local youth in cocoa processing and manufacturing firms. This would help to reduce various burdens for farmers. (Narike 00:17:51) Obeng (00:18:06) explains that Ghana would have the capacity to process approximately 50% of its production volume. However, they only manage to process around 25%. Though the goal is to eventually process more. For those reasons I believe that enhancing Ghana's cocoa processing abilities could be a focus for Western firms who really want to make a change and not only enrich themselves.

Cocoa processing though is not the only production area farmers wish was improved. COFA farmers (I7) for instance ask that organic insecticides were produced locally instead of being imported by COCOBOD. The foreign origin and COCOBOD as the importer makes cocoa farmers dependent on both these actors. Farmers (I7) believe locally produced organic agrochemicals would offer a more reliable source for inputs and better negotiation conditions. This would be especially helpful since spraying season (April to June) is just before farmers usually receive their premium (June or July). Therefore, having local supplier to negotiate back pay agreements would benefit the farmers and protect the organic cocoa from pests and diseases. (I7)

In light of all these issues mentioned above, it is important to remember that cocoa farmers and workers are not passive subjects without agency. Contrarily, farmers are active agents who find creative solutions using their assets and capital to better their livelihoods within the institutional constraints they find themselves in (see Gradin 2016; Mühlleitner 2020: 17). One farmer takes a strong stance on the issue by saying:

> "So, we know the down consequences here. Sometimes you are going to a farm and you are being beaten by a snake. We have a lot of problems, you understand. So, if we see that you, the buyer or whoever in authority is not dealing well with us, we can speak, because we are doing the job, and we know the sufferings in it, you understand. Because if I am doing something with you, and you are not giving me what is needed, why can´t I voice out, I can speak, I can tell you, that this is what is, I mean, these are some of the challenges I have, yeah, I think that is it. This and this is not going on well. So, when I tell you, you got to address it, I mean for us."
>
> (I9)

This statement shows that farmers not only know that they have agency and the power to voice their concerns, but they also see themselves as the experts on their lives and cocoa farming realities. Yet, they do recognise existing power imbalances. Other farmers (I2), while being aware of the institutional constraints they are subjected to, they realise the influence a strong, national cocoa farmers organisation could have on, for instance, price setting. With a united front, cocoa farmers could boycott low prices and refuse to sell their beans unless their criteria are met. They could go on strike. (I2) This however is still far from reality but shows the agency cocoa farmers wish they could exercise.

g. Positions not Taken

In accordance with Clarke's criticism of the limitation of grounded theory (see chapter III.b. "Grounded Theory"), I have added this chapter to my discussion. It allows the exploration of topics not directly mentioned by interview partners but that are inherent to the context they act in. (Offenberger 2019: 8) In my case, this first and foremost relates to the issue of gender within the cocoa GVN. While it was touched on by one farmer (I2), it was merely mentioned but not deliberated further. The interview partner when asked about differences between various farmers said:

> ”Some have like three, four hectors. So, these are some view differences, the increase that they produce on. And then the differences also is that the female farmers, we have female cocoa farmers together with the male farmers. They all produce differently. You understand what I mean? So, but a cocoa farmer in the Volta Region and a cocoa farmer in the Western Region, actually there is no [difference]. More or less most of them are all family farmers.” (I2)

Hence, while admitting female farmers produce differently than male ones, it was not explained and the interviewer did not ask a follow up question on gender issues despite gender being an important factor in the Ghanaian cocoa sector. This is because gender inequality is a common occurrence and women's essential contributions to farm and household work often stay invisible. Moreover, women seem to have limited control in regards to how income is spent since men receive payments for selling the cocoa while the women take care of the farms (Fountain/Hütz-Adams 2022: 20f). This also explains why *“[w]omen do not automatically benefit from higher incomes*.” (Fountain/Hütz-Adams 2022: 21).

These circumstances might be the reason why so far, gendered community development projects of Western firms have set their aim at generating income providing activities for women as well as Village Savings and Loans Associations. While relieving financial constraints for women, this approach does not set out for systematic changes, which would require the empowerment of female landowners and cocoa farmers. (Fountain/Hütz-Adams 2022: 20) In regards to the institutional context of the cocoa sector, women in some cocoa areas still have no legal right to register a land title under their name. Subsequently, they are not only barred from landownership but also the support obtained through cooperative memberships since most coops require their members to own their farm. Additionally, as mentioned in the chapter on child labour, female children are kept home more frequently from schools, resulting in higher illiteracy and innumeracy. In combination with their lack of market and certification access, unavailability of loans, and absence of representation in leadership and governance roles, this condition prevents professionalization amongst female cocoa farmers. (Fountain/Hütz-Adams 2022: 21)

The problem with gender inequality and the invisibility of women is that women are integral for change. Not only because female headed households are especially prone to poverty but also due to their role as change agents. (Fountain/Hütz-Adams 2022: 20) Moreover, with 25% of Ghanaian cocoa farms being run by women and many more working as hired labourers, they make up a substantial part of cocoa farmers (Fountain/Hütz-Adams 2022: 65). Despite that, many CSR-based programmes fail to reach cocoa farming women unless empowering women is the goal. This is insufficient since women too should receive training in GAP if they work on the fields regularly. Furthermore, women's involvement in community development programmes increases the success rates for all kinds of project, whether they aim at "*[...] poverty alleviation, infant nutrition, forest preservation [or] child labour sensitisation.*" (Fountain/Hütz-Adams 2022: 65) This in part is due to women's greater focus on spending income on essential items and services and on the other hand the greater community acceptance they create. An instance for success through the inclusion of women is the increase of forest and ecosystem preservation when women have land and tree ownership rights. (Fountain/Hütz-Adams 2022: 65)

Therefore, while women's rights were not actively addressed by interview partners, they are crucial in tackling CSR-related issues and should therefore be a focus of Western CSR-policies. Tony's Chocolonely started the Chocolonely Foundation in 2008 into which it allocates 1% of the firm's annual turnover. 2021/2022 this meant 1 308 408 Euros were paid to the foundation. One of the first organisations supported by it was 100WEEKS, an organisation focused on women's business activities and the diversification and professionalisation thereof. The support it provides includes an unconditional cash provision (8 Euros/week for 100 weeks) and financial literacy courses. This allows women to start their own business while taking care of their families. (tonyschocolonely.com n. d. b: 58)

Part III. CONCLUSION

The last part sums up my thesis and I discuss the limitations of my research before giving an outlook on future research that could be done on the topics of neo-colonialism, South-North value networks and supplier relationships, and the cocoa and chocolate production network. The conclusion will also include a paragraph on what this paper could mean for the decision makers of the chocolate industries and Tony Chocolonely in particular.

VII. Conclusion

In conclusion, my thesis has shown how CSR-practices of Western firms impact the cocoa growing communities in Ghana within the neo-colonial system. By first creating a theoretical context with a GVN and neo-colonial framework, the structural implications of the GVN on South-North relationships were shown with the result that the West still holds the most power in the global cocoa value network. This affects CSR-practices and outcomes in several ways. Firstly, Western firms impose production and quality standards on producers in the Global South (Fountain/Hütz-Adams 2022: 72; Gilbert 2016: 309; Whitfield et al. 2020: 202). This is criticised by Ghanaian farmers, who see themselves as experts on their own living and working situations. It bothers them that decisions are made without their presence and by people who have never lived through their experiences. (see I3; I8; I9)

Simultaneously, farmers are underrepresented in price setting mechanisms. While two chief farmers are represented through COCOSHE during deliberations on the Ghanaian farm gate price for cocoa beans (Laven et al. 2016: 24; Vigneri/Santos 2009: 5), farmers feel like COCOSHE is not an accurate representation of their interests due to the unions ties to the government and distance to the local farmers (I7; I8; I9). Moreover, even though the Ghanaian government tries to set their own price, their room to manoeuvre is severely constraint by the West. This is because farm gate prices are based on the cocoa world market price, which is strongly influenced by non-commercial traders making money by trading (non-existing) cocoa futures. (Hütz-Adams et al. 2016: 16; Maile 2020: 41; Oomes et al. 2016: 31) This is not only devastating for farmers who believe they, as producers, should have the main decision making power on pricing (I7; I8; I9; I11) but also to farming communities because low cocoa prices seem to be the root cause of many challenges farmers experience. Issues such as high cases of child labour, illiteracy, deforestation, wrong use of agrochemicals, health issues, and a high average of cocoa farmers are all the result of farmers' cash constraints (see chapter VI.).

Lastly, the gate keeping of Western actors within the cocoa industry by acts of exclusion from global discourses on cocoa (Fountain/Hütz-Adams 2022: 71) in combination with dominating the price setting mechanism have led to the continuous exploitation of communities in the Global South. A strong indicator thereof is the small share of revenue farmers receive from the chocolate end products. As a result, Western chocolate companies make record profits even in the last years' crises, while farmers only earn 30% of a living income (Fountain/Hütz-Adams 2022: 11; tonyschocolonely.com n. d. b: 43).

CSR-practices of Western firms like Tony's Chocolonely are important tools to combat these issues. An example thereof are the sourcing principals as formulated by Tony's Chocolonely (see tonyschocolonely.com n. d. b). They include paying living income reference prices in combination with farmer training and empowerment to strengthen cooperatives and increase production, tracing beans from plot to bar so problems can be identified, and long term relationships between buyers and suppliers to ensure the latter's income security. Thereby, a special focus needs to be laid on female farmers, who are often not reached through non-gendered development programmes. Tony's is doing so by supporting 100WEEKS (see chapter VI.g. "Positions not Taken").

For the farming community, these CSR practises have several bearings. Firstly, they help decrease the occurrences of child labour in farmer families. The numbers recorded by the case study firm show that long lasting relationships with Western firms can decrease the risk of children being exploited (tonyschocolonely.com n. d. b: 4). This is the result of awareness creation by firms, partner organisations, and local farmer cooperatives (I; I2), the use of CLMRS (Fountain/Hütz-Adams 2022: 56), financial and input support such as school fees and materials (abocfa.com 2022), as well as higher cocoa bean prices through additional premiums (tonyschocolonely.com n. d. b). CSR-goals moreover often include GAP objectives. For local farmers this is often connected with increased opportunities in terms of education, technology and quality upgrading, livelihood diversification, and increased income. Moreover, in the long term, environmental protection efforts and reforestation will hopefully positively affect the Ghanaian community, even if it might only slow down desertification and loss of woodland. (Fountain/Hütz-Adams 2022: 37; I2; I3; I10)

My analysis of the transcripts of farmer interviews furthermore corroborated the findings in existing literature that see cocoa prices as the main cause for CSR-related issues in cocoa farming communities. Unfortunately, many Western firms do not tackle the issue of low cocoa prices head on. Tony's Chocolonely is an exception with their strive to pay LIRPs in order to combat other issues in connection with farmers' financial constraints. (Fountain/Hütz-Adams 2022: 22)

The transcripts also reveal the agency farmers hold, their strive for better farming practises and greater power within the GVN. Firms like Tony's Chocolonely that focus on empowering their partnering farmers cooperatives could really make a difference in the cocoa industry as it aligns them with the wishes of local farmers and transfers more agency to them.

VIII. Limitations

Despite its contributions, this thesis has limitations in several aspects. To begin with, due to personal time and financial restrictions, I was unable to go to Ghana myself. Therefore, the interview transcripts I obtained are not the result of my own interviews. Despite being entirely grateful to Judith Mühlleitner for making her transcripts available to me, the interview guidelines were of course tailored to her own research on cocoa organisations (see Mühlleitner 2020) and not my own research goals. Thus, she did not ask CSR-focused questions or followed up on CSR-topics raised by her interview partners, which was expected. Having my own interview guidelines specific to my research questions could have led to the exposure of more CSR-specific information. Nevertheless, her investigation into the role of farmers cooperatives and other actors of the GVN, the problems experienced in the cocoa sector, and farming practices in general, has supplied me with knowledge on a wide range of challenges farmers face, the steps they take to change them, and where and how they are supported by Western firms and third party certification organisations. Moreover, the transcripts helped tremendously in understanding the complex system that is Ghana's cocoa sector.

Another shortcoming of this thesis is also connected to the interview transcripts. While the documentation "Golden Seeds" offer the voices of a few women active in the cocoa sector, the other interview transcripts were all of male actors. This might be due to the common lack of female representation in governance positions such as the farmers cooperatives (see Fountain/Hütz-Adams 2022: 21) that were the focus of Mühlleitner's (2020) research. The fact that almost all Ghanaian voices in my analysis are male, could therefore account for the lack of gender specific topics raised in the interviews. Women might have added a different understanding and point of view on the Ghanaian cocoa sector and issues to be tackled by Western firms.

In regards to the specificity of the interview partners to my case study firm, it is to mention that my analysis is insofar limited that none of the interview partners work with a Tony's

Chocolonely associated farmers organisation. However, some of the farmers speaking in the documentary do and they raise similar issues as the farmers of other cooperatives. It would further have been interesting to get the perspective of Tony's founders, employees – both in Ghana and at their European headquarters – and affiliated processors, and LBCs. However, not only did keeping in touch with the firm prove difficult, but these extensions would also go beyond the scope of this thesis. However, these limitations leave room for future research.

IX. Future Research

While it would certainly go to far to investigate Tony's entire value chain in my master thesis, it would be interesting to look into it in future research adventures. Not only do I believe it would be beneficial to conduct further interviews with Ghanaian cocoa farmers and workers, but it would also help to interview CSR-decision makers in Western firms.

The former could increase the understanding of cocoa communities and their needs, especially if more women would be interviewed and the interview guidelines were tailored towards exploring CSR-topics beyond agricultural practises and the organisation level. Getting more information on a household or individual level could possibly unearth problems that are either not felt on a community level or are usually not talked about due to cultural taboos. Questions thereby could be: What effects would a lowered retirement age of farmers have on cocoa communities? How do good CSR practices by Western firms affect cocoa farmers' health, family structure, world view, community ties,…?

Investigating the Western firms on the other hand could help to uncover inherit biases the West has towards actors of the Global South and how these biases influence CSR-decisions. Moreover, I would be interested, on a larger scale, who and on what basis CSR-goals are decided on and formulated. I have questions such as: How and to what extent are cocoa communities part of CSR-discussions and decisions? How much of CSR in the cocoa sector is purely for marketing purposes and to uphold power structures in the interest of the West? How do different in-house certification programmes compare to each other and to third party certificates? What affect do they have on the cocoa sector and local communities? How can farmers overcome power imbalances in the GVN? How many Tony's employees are People of Colour and how are they involved in CSR decisions?

There are obviously still a lot of questions to be answered in the cocoa sector, some more specific and others grand. In regards to my case study, further research would definitely be based on interviews with Tony's Chocolonely's partner cooperatives as well as employees in charge of CSR. This would relieve some of the limitations discussed above and give a more detailed and accurate picture of the effectiveness of Tony's CSR activities.

"*If we mention chocolate, I become happy as a farmer because I know that I have contributed to the production of chocolate in the world.*
Because if I don't produce the cocoa, they wouldn't have gotten it to produce the chocolate. I feel very happy every time chocolate is mentioned."
(Odae 00:19:25)

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Appendix

Table 2: List of interview partners in the documentary (author based on Boanuh 22/06/2021)

Name	Position
Mariwa Osman Abu	Farmer & former cocoa researcher
David Boanuh	Director & cinematographer
Tony Anderson	Creative director
Eric Boama	Photographer & producer
Sarah Larweh	Farmer
Edward Yirenkyi	ABOCFA president & farmer
Narh John	Farmer
Stephen Odae	Farmer
Gifty Narkie	Farmer
Rexford Obeng	Chocolatier & researcher
Bismark Amoanih	Farmer

#	Interviewee	Organisation	Position	Date
I1	Anonymous	GAWU local union in Neribihi	Chairman & farmer	16.06.2019
I2	Anonymous	Elikem Welfare Association	Manager & farmer	09.05.2019
I3	Anonymous	GAWU General Agricultural Workers' Union	General Deputy	17.05.2019
I4	Anonymous	GAWU local union in Neribihi	Vice Chairman & farmer	16.06.2019
I5	Anonymous	GAWU local union in Neribihi	Member & farmer	16.06.2019
I6	Anonymous	GAWU local union in Neribihi	Two members & farmers	17.06.2019
I7	Anonymous	Cocoa Organic Farmers Association (KOFA)	Anonymous & farmer	17.07.2019
I8	Anonymous	5 Flavour Cooperative, Offinso	President & farmer; manager & farmer	19.07.2019
I9	Anonymous	Assiman cocoa farmers and marketing union	Local leaders of cooperatives & farmers	23.07.2019
I10	Anonymous	Assin Kushea cocoa farmers society union	Manager, CHED-Employee & farmer	23.07.2019
I11	Anonymous	COCOBOD	Research Manager	06.06.2019

Table 3: List of interviews (author)