

A chart showing power relations on food and agricultural value chains

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On the next two pages you will find a chart which illustrates how power relations operate along food and agricultural value chains (VCs). The aim is to clarify thought about where (and possibly how) to intervene on them with the goal of economic justice.

I make no claim that this chart applies directly to any other value chains, or that it operates identically for every type of food product. Every market and every value chain works in its own way. But I hope that it might be of some use where other VCs are concerned too.

It is based on my own understanding of the situation. I have no doubt that there are omissions, some of them perhaps important, and that other people will disagree with all or part of the analysis. If so, please alter the chart according to your own understanding. It will then achieve its purpose, which is simply to stimulate further thought.

The ultimate goals behind it are those of equality, democracy and the empowerment of people who are oppressed by these power relations. I can see two broad directions for the pursuit of these goals:

- To democratise existing VCs;
- To break up the VCs and disperse power along the resulting parts of them.

They do not necessarily contradict each other, and most probably one will be appropriate on some value chains and the other on others – even within the food and agriculture sector.

The chart uses arrow symbols and colour codes for ease of reading. I started with the colours of traffic lights (red for Go, green for Stop), but changed the 'amber' colour when I saw that in print it looked too similar to red! This is what they mean:

↑ = power exerted by companies, corporations or other buyers and power-brokers on those further upstream

↑↓ = 1: not clear. 2: could be in either direction, depending on specifics

↓ = power exerted by workers or others on those further downstream

I should point out two important gaps: there is no attempt here to take ecological or environmental aspects, or migration, into account – important though they are. If you find the chart useful, please feel free to add them in as you see fit.

				Workers		Economic situation	Sources of market power	National regulations	Inter-national regulations	Civil society	Sources of empowerment ↓
1	External (purchased) inputs	Nature	Family and household labour	Informally hired ↑ (precarious)	Formally employed ↑	Very low pay, poor conditions for all workers ↑	Withdrawal of labour ↓	Pay and working conditions ↓	Labour rights ↓	Trade unions ↓ Solidarity campaigns ↓	Labour rights Trade unions Local agricultural policies
	Chemicals Fuel Fertilisers	Seeds Soil Water Light Air									
2	Smallholdings, farms, plantations					Squeezed by both input and output markets ↑	Cooperatives ↓ Size of holding ↓↑ Outsourcing ↓↑ TNCs ↑ Land grabs ↑	Pay and working conditions ↓ Labour rights ↓ Capital controls ↓ Ag/env regs (Standards) ? Ag & devt policies ↓↑ Tax ? Property rights ↑	Labour rights ↓ Due diligence rules ↓ Capital control regime ↑↓ Contemporary policies ↑ Import standards (inc SPS) ↑ FTAs ↑ BITs ↑	Solidarity actions, e.g. on land grabs, fair trade, deforestation, indigenous peoples ↓ Smallholders' and farmers' unions ↑↓ Stakeholder forums ↑↓	Labour rights Trade unions Farming unions Cooperatives Tariffs & quotas Capital controls Local ag. policies e.g. storage, local crops, diversification, extension
'Farmgate' price							Ag. support and subsidies ↓	WTO regs ↑			Non-market price determination
3A	Trade (domestic)				Formal ↑	Able to manipulate & speculate ↑	No. of buyers ↑ TNCs ↑ Corporate supply management ↑	Pay and working conditions ↓ Labour rights ↓ Comptn. policy ↓	Labour rights ↓	Trade unions ↓ Stakeholder forums ↑↓	Labour rights Trade unions

					Tax ? Standards ↑			
Commodity price (can be defined either domestically or at the border)				Tariffs and quotas ↓	Commodity agreements ↓ WTO ↑			Non-market price determination
3B	Trade (international)	Formal ↑	Able to manipulate & speculate ↑	No. of purchasers ↑ TNCs ↑ Corporate supply management ↑	Pay & wkg conditions ↓ Labour rights ↓ Comptn. policy ↓ Tax ? Standards ↑	Labour rights ↓ Capital controls ↓	Trade unions ↓ Stakeholder forums ↑↓	Labour rights Trade unions
4	Processing, wholesaling, distribution	Formal ↑	Can exert buyer power or be subject to it ↑	Tax ↓ Outsourcing ↓↑ Oligopoly/ few buyers ↑ TNCs ↑	Pay & wkg conditions ↓ Comptn. Policy ↓ Standards ↑	Labour rights ↓	Trade unions ↓ Stakeholder forums ↑↓	Labour rights Trade unions
5	Retailing (markets, shops, supermarkets, restaurants & catering)	Formal ↑	Supermarkets: Buyer power. Low margins, but volume gives high profits ↑	Tax ↓ Outsourcing ↓↑ Oligopoly/ few buyers ↑ TNCs ↑ Supply chain management ↑	Pay & wkg conditions ↓ Comptn. Policy ↓ Standards ↑	Labour rights ↓	Trade unions ↓ Stakeholder forums ↑↓	Labour rights Trade unions
Retail (consumer) price				Competition Policy ↓				
6	Consumers		Mostly looking for low prices ↑	Consumer rights ↑			Solidarity campaigns ↓ Consr orgns ↑	Solidarity actions

