

# The Coffee Paradox

Global markets, commodity trade and  
the elusive promise of development

Benoit Daviron and Stefano Ponte

**Zed Books**

LONDON & NEW YORK

in association with the CTA

# Contents

<i>List of tables, figures and boxes</i>	vm
<i>Abbreviations</i>	xi
<i>Preface</i>	xvi

## **Commodity trade, development and global value chains 1**

Division of labour and coordination in commodity	
production and trade: historical background	1
<i>Value chains for tropical commodities: from the plantation complex</i>	
<i>to the classical organization</i>	2
<i>Standardization and the organization of production</i>	8
Commodities and development: the debate	11
<i>The agricultural crisis</i>	12
<i>Structuralism</i>	15
<i>The counter-revolution in development economics</i>	19
<i>Unfair trade</i>	21
Global value chains, commoditization and upgrading	25
The quality issue: material, symbolic and in-person service attributes	30
<i>Approaches to quality</i>	30
<i>Material attributes, physical transformations and measurement</i>	34
<i>Symbolic quality: trademarks, geographical indications and</i>	
<i>sustainability labels</i>	37
<i>In-person service quality</i>	43
Conclusion	46

## **What's in a cup? Coffee from bean to brew 50**

Coffee flows and transformations	51
Production and export geography	57
Systems of labour mobilization and organization of production	60

Markets, contracts and grades	69
Retail and consumption: Commodity form and the <i>latte</i> revolution	74
Conclusion	

## **Who calls the shots? Regulation and governance 83]**

Producing countries as key actors (1906—89)	841
<i>The Brazilian monopoly period (1906-37)</i>	84 j
<i>Fragmentation of the world market (1930-62)</i>	851
<i>The International Coffee Agreement regime (1962—89)</i>	86f
The post-ICA regime (1989-present)	i
<i>Corporate strategies</i>	901
Regulation in producing countries	95j
<i>Domestic regulation of coffee markets</i>	951
<i>East African coffees: an introduction</i>	971
<i>The organization of East African coffee value chains prior to liberalization</i>	100
<i>The effects of liberalization on value chain structure</i>	1031
<i>The lessons of liberalization</i>	1091
Coffee blues: international prices in a historical perspective	110J
Conclusion	121;

## **Is this any good? Material and symbolic production of coffee quality 127 I**

From material to symbolic and in-person service attributes:	
quality along coffee value chains	127 !
Quality in producing countries	1291
<i>General criteria</i>	129
<i>Coffee payment systems and quality control in East Africa</i>	1321
Quality in consuming countries	1401
<i>Mainstream markets</i>	140 f
<i>A case study: coffee quality in the Italian coffee market</i>	142 \
<i>Quality and the North American specialty coffee industry</i>	151
Conclusion	160 3

## **For whose benefit? 'Sustainable' coffee initiatives 164**

Consuming sustainability	164 j
Analysis of selected sustainable coffee certification systems	168 j

69	<i>Organic</i>	168
74	<i>Fair trade</i>	173
80	<i>Shade-grown</i>	177
	<i>Utz Kapeh</i>	182
	<i>Impact of certification systems on sustainability</i>	184
83	<i>A critical evaluation</i>	188
84	Private and public/private initiatives on sustainability	193
84	<i>General features</i>	193
85	<i>Evaluation of private and public/private initiatives</i>	197
86	Conclusion	198
88	<b>6</b>	
90	<b>Value chains or values changed?</b>	<b>204</b>
95	Value distribution along coffee chains: empirical evidence	204
97	Solving the commodity problem: theoretical approaches	219
	<i>Changing quality conventions</i>	220
100	<i>Transparency and producer—consumer connectivity</i>	224
103	<i>Territoriality</i>	230
109	<i>Agents of change? The politics of consumption and the role of retailers</i>	237
110		
121	<b>A way forward</b>	<b>245</b>
	Governance and the coffee paradox	245
	The end of regulation as we know it	248
127	Business and donors to the rescue?	253
	What role for transparency?	256
127	Policies and strategies: an alternative agenda	259
129	<i>Improving sustainability certifications</i>	259
129	<i>Material and symbolic quality: the role of IGO systems</i>	
132	<i>and intellectual property rights</i>	264
140	<i>Making hedonism work for the South</i>	267
140	Coffee, commodity trade and development	269
142		
151	<i>References</i>	273
160	<i>Index</i>	285