

THE FIFTH FRAMEWORK PROGRAMME 1998-2002



QUALITY OF LIFE AND MANAGEMENT OF LIVING RESOURCES

"Marketing Sustainable Agriculture: An analysis of the potential role of new food supply chains in sustainable rural development"

SUS-CHAIN
QLK5-CT-2002-01349

Case study methodology Workpackage 4

Ву

Gianluca Brunori and Han Wiskerke

SUS-CHAIN deliverable no. 13

Marketing sustainable agriculture: an analysis of the potential role of new food supply chains in sustainable rural development

SUS-CHAIN

Case study methodology - Workpackage 4

Gianluca Brunori and Han Wiskerke 23 July 2004

Dipartimento di Agronomia e Gestione dell'Agroecosistema Sezione di Economia agraria e ambientale



Rural Sociology Group



TABLE OF CONTENTS

1 THE ROLE AND POSITION OF THE CASE STUDIES IN SUS-CHAIN	1
1.1 The SUS-CHAIN workplan	1
1.2 Case studies: objectives, general approach and expected achievements	1
2 CASE STUDIES: GUIDING PRINCIPLES	3
2.1 Focus of the case studies	3
2.2 Unit of analysis	4
2.3 The number of units per case	5
2.4 Criteria for case study selection	6
2.5 Selection and assessment of case studies: general guiding principles	8
3 HYPOTHESES AND RESEARCH QUESTIONS	11
3.1 Hypotheses	11
3.2 From hypotheses to research questions	13
4 RESEARCH METHOD	15
4.1 From research questions to data collection	15
4.2 International case-studies	19
5 LAYOUT OF THE CASE STUDY REPORTS	21
6 METHODOLOGY: A SYNTHESIS	25
6.1 Hypotheses, research questions and indicators	25
6.2 Layout of the case	26
APPENDIX A – NETWORK MAPPING	27
APPENDIX B – CALCULATING INCOME AND EMPLOYMENT EFFECT	31
APPENDIX C - INPUT FROM WP1 FOR CASE STUDY METHODOLOGY	33

SUS-CHAIN WP4 - Case study methodology

1 THE ROLE AND POSITION OF THE CASE STUDIES IN SUS-CHAIN

1.1 The SUS-CHAIN workplan

To address the objectives and achieve the expected results of the SUS-CHAIN project a workplan consisting of five, partly consecutive and partly parallel, phases (which each consist of one or more workpackages) has been designed. The workplan has been divided into these phases, as each phase corresponds with one or two (in case of phase 4) milestone(s). The five phases are:

- 1. *Performance indicators*: development and fine tuning of food supply chain performance indicators (workpackage 1: months 0 22)
- 2. State of the art: the diversity and dynamics of food supply chains and consumers' attitudes (workpackages 2 & 3: months 2 10)
- 3. *Case studies*: micro-level assessment of the socio-economic performance of food supply chains (workpackages 4, 5 & 6: months 10 26)
- 4. Recommendations: recommendations for policy makers at regional, national and European level and for food supply chain stakeholders (workpackage 7: months 27 34)
- 5. Dissemination and feedback: dissemination of results to and feedback on provisional results by the academic and professional public (workpackage 8: months 6 36)

In the figure below the relations and interaction between the different phases is presented.

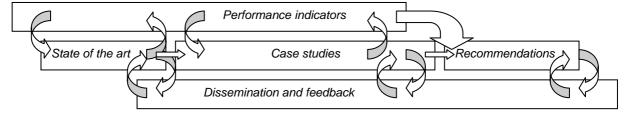


Figure 1. Relation and interaction between the different phases of SUS-CHAIN

1.2 Case studies: objectives, general approach and expected achievements

The third phase of the project aims to result in a more in-depth and fine-tuned understanding of the socio-economic dynamics of food supply chains. This general aim of phase 3 is somewhat similar to that of phase 2. The main difference is that the focus of phase 2 is on the meso/macro-level dynamics of food supply chains, while phase 3 focuses on micro/meso-level dynamics. As such phase 3 will result in a much more detailed understanding of the dynamics of food supply chains compared to phase 2. Another difference between phase 2 and phase 3 is that the main focus of phase 2 is on description and analysis, while the main focus of phase 3 is on assessment of the performance of different food supply chains.

Phase 3 starts with the development of the <u>case study methodology</u> and the <u>selection of cases</u>. This is followed by <u>2 in-depth case studies per participating country</u>. The objectives of the case studies are:

- A detailed description and analysis of the organisation forms and structures of different food supply chains;
- A detailed description and analysis of the ways of communication and mechanisms of (horizontal and vertical) co-ordination within different food supply chains (e.g. labelling, face to face selling,

product regulations, farm plans, codes of best practice etc.) as well as an assessment of their effectiveness in creating cohesion and successful collective action between different actors in the chain

- A detailed description and analysis of the socio-economic dynamics of different food supply chains, both in time and in space.
- An assessment of the performance of different food supply chains in terms of different aspects of sustainability;
- Identification (per case study) of bottlenecks that constrain the improvement of the collective performance towards sustainability.
- A detailed description of the relevant policy environment associated with sustainable food supply chains (per case study) and analysis of relevant policy interfaces for different food supply chains.

With respect to the <u>case study selection</u> it is crucial to come to an adequate, well-balanced and representative set of case examples, that cover diverse and contrasted food chain supply organisations. To reach this objective the well-known methodology of Glaser and Straus for comparative analysis¹ will be applied. On the basis of the macro-level description and analysis (Phase 2) contrasting cases with respect to relevant key factors will be added to the set of cases until the 'point of saturation' is more or less reached. That is until it reasonably well covers the range of sustainable food supply chain initiatives encountered in the relevant empirical reality. A provisional case-study selection will be presented to the Commission services for possible comments.

The <u>case-study methodology</u> to be applied will first of all be based on the provisional sets of indicators as developed in Phase 1 and will initially address the same key factors. When during Phase 2 of the project additional relevant themes emerge, additional indicators may be formulated. Based on the experience of applying the set of indicators in Phase 2 the provisional set of indicators will be improved and adjusted.

It is foreseen that the case-study methodology will incorporate elements of different research methods that are applied in sociological and economic sciences and in the study of consumer perceptions. These may include: <u>qualitative interviews</u>, <u>quantitative surveys</u>, <u>transaction cost analysis</u>, <u>discourse analysis</u> and innovative <u>consumer studies</u>. The final case study methodology will be presented to the Commission services for possible comments.

Phase 3 ends with a <u>transversal analysis of all the case studies</u>. By following a comparative approach the transversal analysis will focus at identifying communalities and dissimilarities within the representative set of case examples, in order to answer the following objectives:

- To identify major patterns and underlying trends and trajectories regarding the socio-economic structure and dynamics of sustainable food supply chains by building typologies;
- To identify mechanisms of communication and economic co-ordination that are successful in creating cohesion and effective collective action of stakeholders for different types of food supply chains.
- To assess the performance of different types of food supply chains in terms of different aspects of sustainability and identify underlying key factors.
- To identify 'nodal' points for (policy and other types of) intervention aimed at enhancing the performance for different types of food supply chains.
- To identify bottlenecks and constraints for different types of food supply chains as well as possible ways to overcome these.
- To identify the relevant policy environment and associated policy interfaces for different types of food supply chains.

¹ Glaser, B.G. and A.L. Strauss (1967) The discovery of grounded theory. Strategies for qualitative research (Chicago)

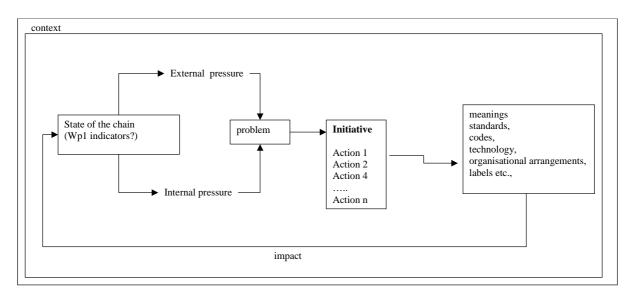
2 CASE STUDIES: GUIDING PRINCIPLES

The objectives, general approach and the expected achievements of the case studies together constitute a general framework, which provides an overall starting point for the case study methodology. However, several strategic decisions have to be made with respect to the guiding principles for the case study methodology. These decisions regard the following questions:

- 1. What is the focus of the case studies?
- 2. What will be the unit of analysis?
- 3. How many units of analysis per case study?
- 4. Which criteria to use for the selection of cases?

2.1 Focus of the case studies

To address the objectives of SUS-CHAIN in general and of the case studies in particular, the case studies should focus on processes (rather than, for example, on structures). We may represent processes as in the following example:



An initial state of the chain, assessed on the basis of sustainability criteria by actors outside the chain (public opinion, health or environmental authorities, etc. or by actors within the chain (consumers, producers, where to locate food movements?), in relation to a specific context, gives rise to pressures that put into question the present state of the matter, until a problem is recognized and defined. For example, the BSE crisis has emerged initially as a sectoral crisis, but the recognition and definition of the problem emerging from it (link with human CJ disease, link with feed coming from animal proteins, lack of controls, etc...) is a result of a rather long process.

Pressures can be <u>external</u>, that is coming from actors outside the chain (for example, public opinion, civil society) or <u>internal</u>, that is from actors who are involved in the chain. The problem, once recognized, raises strategic questions: e.g. how to restore consumers' trust or how to maintain a minimum level of welfare in the countryside. Such questions are addressed through one or more <u>initiatives</u> started by actors who build alliances to carry them out. Again, to address the strategic questions raised by the BSE problem (How to stop the epidemic?; How to avoid new cases in the future?; How to restore consumers' trust?) a large number of initiatives have been taken (labelling

schemes, codes of practices, regulations, new control systems, new technologies) at all levels: public, farmers' associations, farmers, NGOs, etc.

Each initiative is composed of a cluster of <u>actions</u>. Each action aims to obtain specific **outputs** (for example, creating a label implies technical coordination, organisational innovation, new technologies, etc.) All outputs have an <u>impact</u> on the state of the considered chain and therefore on the boundaries, relevance and intensity of the problem. The impact can be broken down into components to assess the change produced on different subsystems. Sometimes, initiatives generated by one problem take autonomous paths and become part of new clusters (umbrellas). For example, a labelling scheme based on safety claims evolves into regional quality schemes.

2.2 Unit of analysis

A next point of departure to agree upon regards the unit of analysis. In other terms: what is the object we would follow along our analysis? Following the arguments in the preceding section, the following units of analysis can be considered:

- 1. chains (or commodities)
- 2. starters (public, ngos, farmers, retail, processors, etc.)
- 3. problems
- 4. initiatives
- Ad 1) Chains as units of analysis would imply, as we have done in the national report, a general description of the chain, a list of the most important problems, an analysis of a relevant set of initiatives undertaken to address the problems. Chains as units of analysis are very ambitious, and we would need a lot of information to be able to make a good case. Moreover, the case whose unit of analysis was a chain would lose its 'micro' character.
- Ad 2) Starters as units of analysis would imply a general description of the actor, a list of the most important problems they have faced, the analysis of a relevant set of initiatives undertaken to address them. A case whose unit of analysis was an actor would create a problem of comparability, unless we decide to take into consideration a typology of actor (for example, valorisation consortia, cooperatives, retailers). Moreover, the description of an actor could imply a loss of focus on processes and on the role of other actors.
- Ad 3) *Problems* as units of analysis would imply a general description of the problem, a list of the most important chains where the problem has emerged, an analysis of a relevant set of initiatives undertaken to address the problems. Similarly to the preceding option, a case whose unit of analysis was a problem would require a huge amount of information to be analysed properly.
- Ad 4) *Initiatives* are, in our view, the most promising units of analysis. Initiatives as units of analysis (for example, 'Public procurement in Wales', 'Fair trade in England', "Farmers' markets in Tuscany') would allow us to describe the process as depicted in the preceding section, i.e.:
 - What was the initial state of the chain and its context?
 - What is the nature of internal and/or external pressures?
 - Which problem was identified/perceived?
 - What kind of actions were undertaken to address this problem?
 - Who were the initiators of the initiative?
 - Which actors were enrolled?
 - Which (new) problems had to be solved?
 - What kind of actions were undertaken to address these new problems?
 - Etc.....

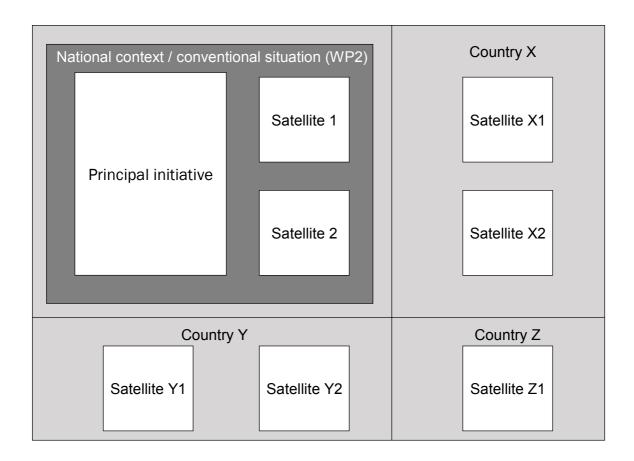
2.3 The number of units per case

According to the technical annex, the SUS-CHAIN project should deliver 2 * 7 = 14 case-studies. If each case-study covers only one initiative, it will be difficult to create a representative set of cases. On the other hand, the technical annex requires a detailed understanding of the complex interrelations, dynamics, interfaces and synergies embodied in sustainable food supply chains in specific national/regional settings. Therefore, the level of inquiry has to go sufficiently in depth to go beyond the mere description. With our case-studies, we need to fulfil at least three goals:

- 1. to have a good coverage of diversity of initiatives
- 2. to have enough information to compare
- 3. to have enough information to add value to already existing literature and to build theory Given the amount of resources, the first goal is mainly addressed with a high number of cases, while the third with a low number of in-depth cases.

We therefore suggest that a case study should include at least three initiatives: one principal initiative, at least one national satellite initiative and at least one foreign satellite initiative. This strategy appears to be the most effective one to address all three goals mentioned above. Initiatives should be linked together into a unitary narrative, aiming to show, for example:

- 1. how an initiative considered 'innovative' deviates from the existing state of the matter;
- 2. how different initiatives concur to obtain the same objective; or
- 3. why some initiatives succeed and similar initiatives, but in different contexts, do not; or
- 4. how the same type of initiative can obtain, in different contexts, different outputs



In order to design a case, we suggest making the following steps (see also figure above):

- 1. Choice of unit of analysis → principal initiative: Choose an initiative as 'starting point', whose distinctive feature is, at least for hypothesis, 'innovative'.
- 2. Identification of the conventional unit for comparison → national context / conventional situation: Single out the sector or chain(s) (and its subsystems) where the initiative takes places to be used as yardstick / background / context to assess 'alternativeness' or 'innovativeness', by analysing sustainability performance, bottlenecks, co-ordination patterns, communication practices, etc. In general the WP2 national reports, especially the descriptions and analyses of different sectors, should provide at least basic (and in some cases) sufficient information to understand the conventional situation and approach.
- 3. Choice of replications → satellites. Choose at least:
 - One different solution within the national context (a product, a commercial pattern, trademark, certification systems, etc.) which is innovative as well → <u>satellite 1, 2, etc.²</u>
 - − One similar and/or one different solution in another country which is innovative as well \rightarrow satellite X1, X2, Y1, Y2 and/or Z1, etc.³

2.4 Criteria for case study selection

As mentioned in section 1.2 (and also in the TA) it is, with respect to the case study selection, crucial to come to an adequate, well-balanced and representative set of case examples, that cover diverse and contrasted sustainable farming systems and food chain organisations. If cases are focused on initiatives, we need to group them into a relatively small number of categories. This implies a need for some kind of taxonomy. Taxonomies have been proposed by the co-ordinators of WP1 as result of the ongoing work on profile and performance indicators and by the co-ordinators of WP2 as result of the analysis of FSC initiatives. Based on these proposals and ongoing work the following criteria are suggested for the selection of cases:

- 1. The kind of <u>sustainability meanings</u> (promises) that are attached to the commodity as communicated or as perceived, e.g.:
 - Ethical
 - Ecological
 - Economic
 - Health (food safety, nutritional value)
 - Quality (organoleptic quality, quality management...)
 - Cultural diversity
 - Community (identity, awareness, social embeddedness, social capital)

These meanings are not necessarily independent from each other. Depending on the type of initiative, organic can be linked to ethical, ecological, quality etc.

- 2. The starters of the initiatives, e.g.:
 - Public sector /institutions
 - NGO

Retail, processors

- Farmers/farmers' associations
- Extension service

² As a national satellite one may use an initiative that has been (or is currently being) studied as part of another research project. This may imply that a small research effort is sufficient to transform it into a suitable SUS-CHAIN satellite initiative. However, it may also be decided to examine an initiative (as satellite) that has not been studied before. This implies that the kind and amount of research to be undertaken for this satellite is equal to kind and amount of research to be undertaken for the principal initiative.

³ As a foreign satellite one may use an initiative that has been (or is currently being) studied (by others) as part of another research project. However, one may also decide to use a principal initiative of for instance country X as one's foreign satellite (and vice versa).

- Private consultants agency

In many cases initiatives started by different actors may converge into umbrella initiatives (for example, co-operatives who align producers into quality schemes converge with retail initiatives to create private labels, or NGOs and farmers' associations that organise events to which farmers are involved to sell their products).

3. The type of actions taken, e.g.:

- Communication
- Education, training
- Technical innovation
- Technical alignment / standard creation
- Certification
- Regulation
- Facilitation
- Political action
- Organizational arrangements
- New channels (farmers' markets, food shows, food subscriptions, selling on farm, etc...

4. The <u>output</u> pursued or obtained, e.g.:

- Economic (income, employment, rural tourism)
- Organisational (organisational arrangements, new organisations)
- Social (social embeddedness, awareness / endorsement of sustainability meanings,
- Quality (health, safety, taste)
- Cultural
- Technical (technical standard, codes of practices, new technologies)
- Improvement of environmental sustainability (rules, codes of practices)
- Product differentiation/ market visibility (Labels, hallmarks)

5. The geographical scope of the initiative, e.g.:

- Local
- Regional
- National
- International
- Global

6. The market segment, e.g.:

- Conventional
- Normalised / standardised (e.g. HACCP)
- Fair trade
- Organic
- Artisanal (incl. PDO/PGI)
- New product

7. The impact on subsystems, e.g.:

- Production
- Processing
- Food service
- Marketing and Distribution
- Consumption
- Marketing (conceptions, strategies and policies)
- Knowledge/competence and discourse production
- Science and technology production
- Regulatory politics

 Rural development: employment- income- social cohesion- resilience of concerned social subsystem- tourism- landscape- bio diversity- natural resources- gender issues

8. The problems addressed, e.g.:

- improving farmers' livelihoods
- building/improving local capital (natural, social, cultural, economic, institutional)
- responding to health concerns/ecological crises
- greening/moralising conventional networks/chains/subsystems
- raising awareness and stimulating changes in attitudes and behaviour of the involved actors
- open/enlarging new markets of sustainable products
- improvement of management of distribution aspects
- a fair distribution of added value within the system
- a low uncertainty on future, to allow producers to build long term strategies and transmit farms.
- perspectives for the most fragile producers.
- credibility of the sustainability promise to the consumer (linked to the issue of negative externalities towards the production territory and the society).
- protection (creation) of positive externalities to (re)build rural resources.

Understanding the dynamics of a specific initiative and assessing its socio-economic performance is a means to strengthen and deepen our understanding of crucial themes regarding the development of new food supply chains and their impact on sustainable rural development. This implies that with respect to a specific theme several initiatives have to be studied. We suggest therefore that a taxonomy based on problems is the most promising in terms of comparative analysis. This means that cases should cover all the listed problems, and there should be enough replications to allow for comparison. However, we also must care that the cases cover the diversity encountered with respect to the other criteria.

2.5 Selection and assessment of case studies: general guiding principles

Based upon the previous sections of this chapter, we can draw some general guiding principles for the selection and assessment of the case studies:

- 1) The <u>focus</u> of the case studies is on <u>processes</u> of change.
- 2) Initiatives are the unit of analysis.
- 3) One case is made up of at least <u>3 initiatives</u>: <u>1 principal</u> initiative and <u>2 satellite</u> initiatives (of which 1 foreign).
- 4) The total of 14 cases should represent a wide diversity with regards to the <u>problems</u> being addressed. However, the diversity with regards to other criteria, such as the sustainability problems, the starters of the initiative, the type of actions taken, the output pursued, the geographical scope, the market segment and the impact on subsystems should also be taken into account.

To the guiding principles mentioned above we can add the following ones:

- There has to be a comparative element
- Information must be accessible/available: a) availability of process information (how is the chain configured/designed? which moments of adjusting the policy/strategy has been taken place, etc.? b) availability of some economic information (figures of turnover, costs, investments, size of the market-segment, etc.)
- > There must be sufficient "novelties" and connections with rural development (typical products, social embeddedness, upstream differentiation, etc.) available within the case studies.

➤ Within the case study we have to put attention to small scale initiatives (5%) as well as to large scale initiatives (95%). The exchange / confrontation of ideas between these FSCs could lead (in our opinion) to a good insight in suitable strategies for up-scaling and improving sustainability of FSCs/initiatives.

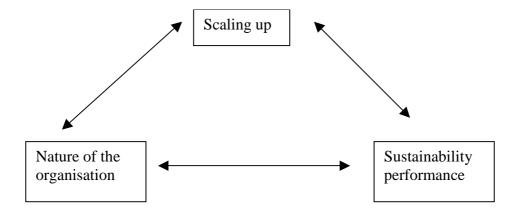
3 HYPOTHESES AND RESEARCH QUESTIONS

3.1 Hypotheses

The main hypothesis around which cases should be built is the following:

Hypothesis: <u>Scaling up</u> an initiative in the field of NFSCs changes the <u>nature of the organisation</u> (structure, rules, procedures, values, goals) and its sustainability performance

The hypothesis contains three keywords: scaling up, nature of the organisation, sustainability performance. Each of them is linked to the others in a dynamic model, as in the following framework:



The term 'Organisation' in the hypothesis can have three meanings:

- a 'closed' network characterised by a clear distinction between an 'inside' and an 'outside'
- a process of network-building along with redistribution of tasks and roles;
- an 'hybrid governance structure', that is 'a set of institutional arrangements within which a transaction is organised' (see paper Guido and Anne)

When studying the case we should look at all the three aspects, as they are steps of the same process. Actor-network methodologies allow to look at the continuity between these forms.

Upscaling can be measured both by growth of volumes, values, number of similar initiatives, and more in general on the impact an initiative has on society.

The hypthesis can be broken down into three sub - hypotheses:

Sub – Hypothesis 1: Scaling up depends on commercial performance and appropriate public support

- 1.1 Commercial performance of sustainable FSCs depends on a specific <u>marketing competence</u>. Appropriate marketing competence is the key to build consumer involvement, stimulate participation, realise "food citizenship" to identify and meet "higher" needs and motivations, and create wants for sustainable food products.
- <u>1.2 Public policy</u> will be successful when it support the possibility to coordinate and make strategic decisions (prices, volumes, product differentiation...)

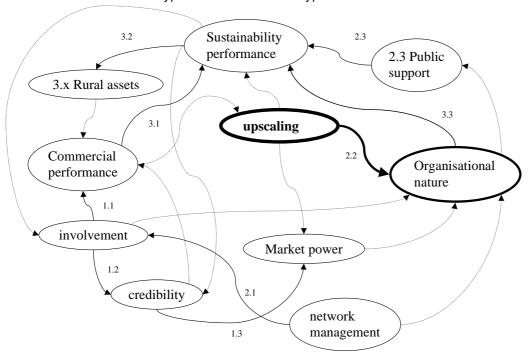
Sub – Hypothesis 2: Nature of organisation changes with scaling up as an effect of growth in market power and of the increased pressure of economic constraints and logics

- <u>2.1</u> <u>Market power</u> is a hurdle for successful development and commercial performance of sustainable food supply chains, because its reduces credibility among consumers
- 2.2 The direction of change of the nature of organisation depends on the <u>management of the network.</u>
 Good management of the network happens when:
- The problem and the objectives at the beginning are well formulated
- > Initiatives can select their members.
- > Rules and duties of its members are clearly defined
- The internal communication is well organised

Sub - Hypothesis 3: NFSCs have a positive effect on rural sustainable development

- 3.1 New FSCs positively <u>support the rural economy</u> through defending and/or creating employment and income. That is more the case
- When the initiatives are market driven
- When this initiatives are constructed as alliances.
- > When the initiatives are territorial and local resources based
- 3.2 New FSCs positively strengthen local and <u>regional capacity to self organisation and self governance</u>. That is more the case
- > When there is broad participation of local population
- When new institutional forms are developed
- When there is a large diversity of stakeholders involved at the local level (social embedment)
- 3.3 New FSCs improve the sustainability and the liveability of the rural areas. That is more the case
- > When positive externalities increase and the negative externalities decrease
- When the agricultural production method is defined according to sustainability principles

The relation between the hypothesis and the sub-hypotheses is illustrated as follows:



3.2 From hypotheses to research questions

Hypotheses should drive the data collection and analysis. It is possible that not all hypotheses are relevant to the cases. From the beginning, however, each group should make clear which hypotheses will be relevant to their cases.

Cub. Humathania 4. Castina and dans to	What is the magning of earlier are in this area?
Sub – Hypothesis 1: Scaling up depends on	
commercial performance and appropriate public	How can scaling up in this case be measured?
support	Has the considered initiative scaled up?
	If not, why hasn't the initiative scaled up?
1.1 Commercial performance of sustainable FSCs	How do the actors involved assess their commercial
depends on a specific <u>marketing competence</u> .	perfomance?
Appropriate marketing competence is the key to	How has the initiative succeeded in linking up the
build consumer involvement, stimulate	consumers (what arguments have been used ?)
participation, realise "food citizenship" to identify	To what extent has the considered initiative been able
and meet "higher" needs and motivations, and	to identify and meet higher needs and motivations?
create wants for sustainable food products.	To what extent has the initiative involved consumers,
	stimulated participation, created wants for sustainable
	food products, realised 'food citizenship'?
	What relation exists between marketing actions and
1.2 Public policy will be successful when it suggest the	these achievements? What kind of public support has been granted to the
1.2 Public policy will be successful when it support the possibility to coordinate and make strategic	initiative?
decisions (prices, volumes, product	
differentiation)	the initiative? (local, regional, national, european etc.)
,	What kind of public policies hamper the development
	of the initiative?
	How have public policies affected strategic decisions?
Sub - Hypothesis 2: Nature of organisation	How can the 'nature of the organisation' in this
changes with scaling up as an effect of growth in	initiative be defined?
market power and of the increased pressure of	How has the nature of the organisation changed along
economic constraints and logics	the process of scaling up?
2.1 Market power is a hurdle for successful	How has market power distribution changed along
development and commercial performance of	with the initiative?
sustainable food supply chains, because its reduces	What relation exists between changes in market
credibility among consumers	power and credibility (loyalty, involvement etc.) among
	consumers?
2.3 The direction of change of the nature of	How the network has been managed? What is the
organisation depends on the management of the	effect of management?
network. Good management of the network happens when:	To what extent has the considered initiative developed methods to select their partners?
 The problem and the objectives at the 	What are the dominant problems and objectives at the
beginning are well formulated	beginning of the initiative? How have they shaped the
 Initiatives can select their members. 	organisation?
Rules and duties of its members are clearly	Have rules and duties of the organisation been clearly
defined	defined? How and at what stage?
The internal communication is well organised	What happened when new actors were involved in the
	initiative as the initiative grew?
Sub Hypothesis 2: NESCs have a positive effect	
Sub – Hypothesis 3: NFSCs have a positive effect on rural sustainable development	
3.1 New FSCs positively support the rural economy	Does the initiative support the rural economy? Has it
through defending and/or creating employment	created employment and income?
and income. That is more the case	Is the initiative market driven? What relations exist
When the initiatives are market driven	between market and other drivers?
When this initiatives are constructed as	What kind of alliances are at the basis of the
alliances	initiative?
When the initiatives are territorial and local	What are territorial and local resources at the basis of
resources based	the initiative?
3.2 New FSCs positively strengthen local and regional capacity to self organisation and self governance.	Does the initiative strengthen local and regional capacity to self organization and self governance?

That is more the case:

- When there is broad participation of local population
- When new institutional forms are developed
- When there is a large diversity of stakeholders involved at the local level (social embedment)
- 3.3 New FSCs improve the sustainability and the liveability of the rural areas. That is more the case:
 - When positive externalities increase and the negative externalities decrease
 - When the agricultural production method is defined according to sustainability principles

What is the level of participation of the local population to the initiative? Who is included and who is excluded (and why)?

Have new institutional forms developed along the development of the initiative?

Which stakeholders have been involved in the initiative? Who is included and who is excluded (and why)?

To what extent does the initiative improve the sustainability and liveability of the rural areas? What are the positive and negative externalities of the initiative?

Are agricultural production methods defined according to sustainability principles?

Has the initiative created employment and employment opportunities?

To what extent has the initiative contributed to repopulate very marginal areas, regain power, and alleviate rural poverty?

How has income of involved actors changed along with the initiative?

To what extent has the initiative improved the capability of the territory/rural community to develop their own strategy?

To what extent has the initiative improved the capacity of rural communities to react to problematic events? To what extent has the initiative been able to adjust sectoral crisis?

To what extent has the initiative been multiplied and generalised in other contexts?

To what extent has the initiative contributed to sustainability and implemented multifunctionality? To what extent has the initiative articulated to the whole territory and contributed to the whole attractiveness of the territory?

What tensions have been generated along with the development of the initiative?

4 RESEARCH METHOD

4.1 From research questions to data collection

We'd suggest leaving the space open to a variety of different approaches and methods, according to context's specifics and partners' vocational guidance and/or necessities. Information sources can be grouped into the following categories (elaborated upon Yin, 2003):

Documentation	 Letters, memoranda etc Agendas, minutes of meetings, written reports and events Administrative documents Formal studies or evaluations of the same 'site' under study Newspaper clippings and other articles on mass media Images
Archival records	 Service records (eg. Number of clients served) Organisational records Maps and charts Survey data Personal records (such as diaries, calendars etc.)
Individual Interviews	Interviews can be done to <i>informants</i> , that is people who know in-depth the initiative or some of its aspects, or to <i>respondents</i> , that is people directly involved in the initiative. They can be of different types: - open-ended interviews (very general guidelines) - focused interviews (a more precise set of questions) - surveys (more structured questions) Moving from the research questions provided above, each group will design specific questionnaires according to each respondent/informant. Circulation of such questionnaires between groups is highly recommended. A plan for interviews should be preceded by a mapping of the network of the initiative. - number of interviews is determined by researcher - who will be interviewed depends on the focus of the case study - justification of selection of persons in case study report
Focus groups	Collective interviews based on specific protocols (could be an interesting method to study consumers' attitudes and behaviour)
Direct observations	Observation of meetings, sidewalk activities, factory work, classrooms,
Participant observation	The interviewer has a direct involvement in the initiative
Physical artifacts	A technological device, a tool or instrument, a work of art etc

Data collection will be analysed and elaborated into the following outputs:

- indicators [numbers or words. Words should be normalised to allow comparison]
- narratives [texts with stories of specific events, patterns, situations]
- diagrams
- explanations [texts responding to questions such as why?]
- models [diagrams linking together empirical evidence as cause/effect relations]

As not all hypotheses will be relevant to each case, groups should make clear which hypotheses will be taken into consideration. A common set of indicators, however, is necessary. The following tables make a summary of the research questions, the indicators necessary to address the questions and the

information sources needed. In bold indicators that could be common to all cases. The final list of compulsory indicators should be defined in Brussels.

Research question	Indicators	Other outputs	Sources	Notes			
Scaling up							
1 - How scaling up can be defined in this case		Definition and indicators					
2 - Has the considered initiative scaled up?	Growth rates in terms of: - volume - values - number of farmers and other actors involved - range of products - Number of imitations		Numeric data if available				
3 - If not, why hasn't the initiative scaled up?		List of reasons	Interviews to respondents and informants				
4 - How can the 'nature of the organisation' in this initiative be defined? 5 - How has the nature of the organisation changed along the process of scaling up?		Organisational description	Interviews to stakeholders				
Public support							
6 - What kind of public support (including training and publicity) has been granted to the initiative? 7 - What kind of public institutions have been involved in the initiative? (local, regional, national, european etc.) 8 - Who benefited from public support? 9 - What kind of public policies hamper the development of the initiative? 10 - How have public policies affected strategic decisions?	Types of public support granted Total amount of public support		Interviews to stakeholders				
Governance							
11 - What are the attributes of the most relevant transactions taken along with the initiative?	Asset specificity Uncertainty Frequency Instruments Adaptation mechanisms Contracts Diagnosis		Interview to respondents	See paper of Anne - Guido			

	1	T	T	T
12 - How the organisation has been managed? 13 - What is the effect of management?		Mapping of networks at different stages Narrative of network creation	Interviews to informants and stakeholders	See methodology for network mapping
14 - To what extent has the initiative developed methods to select their partners?			Interview to stakeholders Statutory rules	
15 - What are the dominant problems and objectives at the beginning of the initiative? How have they shaped the organisation?		List of problems ranked by importance by stakeholders	Interviews to stakeholders	
16 - Have rules and duties of the organisation been clearly defined? How and at what stage?	Summative evaluation (insufficient, sufficient, good, excellent)		Interviews to stakeholders	
17 - What happened when new actors were involved in the initiative?	Changes in participation, rate of compliance,	cases of opportunistic behaviour	Interviews to stakeholders	
18 - What kind of alliances are at the basis of the considered initiative?		Network maps	Informants	
19 - Have new institutional forms developed along the development of the initiative?			Statutory rules / covenants Interviews to informants	
Commercial performance and m	arketing competer	nce		
20 - Is the initiative successful in a conventional marketing perspective?	Price differentials Profits Rate of growth Brand loyalty Market shares	McKinsey matrix	Numeric data if available Interviews to informants	
21 - How do the actors involved assess their commercial performance?		List of criteria (efficiency, effectiveness, impact)	Interviews to respondents and informants	
22 - How has the initiative succeeded in linking up the consumers (what arguments have been used ?)	Summative evaluation (insufficient, sufficient, good, excellent)	List of need and motivation of consumers. List of arguments used to meet them	Interviews to respondents Interview to consumers	
23 - To what extent has the initiative involved consumers, stimulated participation, created wants for sustainable food products, realised 'food citizenship'? What relation exists between marketing actions and these achievements?	Number of typologies of involved actors Organisational arrangements to involve consumers and other stakeholders		Interviews to respondents Interviews to informants Documentation	See governance section

Rural development				
24 - Does the initiative support the rural economy? 25 - Has it created/increased employment and income?	Prices at all levels of the chain Delta employment and income		Statistical data	See IMPACT toolbox - controfactual analysis
26 - Is the initiative market driven? What relations exist between market and other drivers?			Informants Secondary data	
27 - What are territorial and local resources at the basis of the considered initiative?		List of resources ranked by importance	Informants, stakeholders	
28 - What is the level of participation of local population to the initiative? 29 - Who is included and who is excluded (and why)?	Number of newsletters, meetings, other events Rate of participation to events	Organisational arrangements to stimulate participation	Informants	See marketing section
30 - What are the positive and negative externalities of the initiative		List of positive and negative externalities	Interview to stakeholders	Different views by different stakeholders
31 - To what extent has the initiative contributed to repopulate very marginal areas, regain power, and alleviate rural poverty?	Rate of demographic change in the relevant area		Official statistics	See IMPACT toolbox – controfactual analysis
32 - To what extent has the initiative improved the capability of the territory/rural community to develop their own strategy?	Summative evaluation (insufficient, sufficient, good, excellent)		Interviews to stakeholders	
33 - To what extent has the initiative improved the capacity of rural communities to react to problematic events?	Summative evaluation (insufficient, sufficient, good, excellent)		Interviews to stakeholders	
34 - To what extent has the initiative contributed to sustainability and implemented multifunctionality?	IDEA indicators as perceived by informants and stakeholders (see Wp1 report)		Interviews to informants	
35 - To what extent has the initiative articulated to the whole territory and contributed to the whole attractiveness of the territory?	Summative evaluation (insufficient, sufficient, good, excellent)		Interviews to informants	
36 - What tensions have been generated along with the development of the initiative?			Interviews to informants	

4.2 International case-studies

International case studies can be performed in different ways:

- partners can provide data and information on specific questions posed by the foreign partner
- Partners can design a specific inquiry on a jointly basis, the local partner will carry out fieldwork, the analysis will be common
- a visit can be arranged to carry out a joint fieldwork

In the last case, the visiting partner should be available for ca 3-4 days in the visiting country. Here is a possible arrangement of a joint case-study

- The local partner would prepare some material in advance to be provided to the international partner
- The local partner will arrange logistics for the visit.
- The local partner would discuss together with the visitor the plan for interviews and the questionnaire
- The international partner will lead the interview, the local partner will provide translation
- The international partner will make a report and embody it within its own case-study

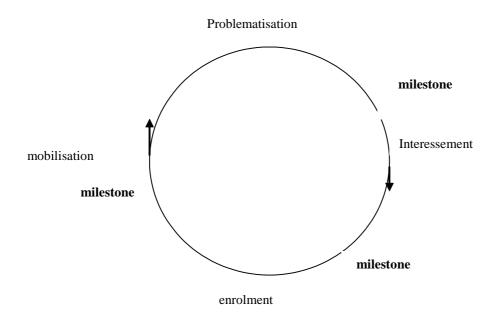
5 LAYOUT OF THE CASE STUDY REPORTS

Case study reports are to be written according to the following format:

- 1) Introduction
- 2) The context (including the profile and performance of the (conventional) chain(s)/sector(s) before the start of the initiative)
 - For the general context include the relevant aspects of WP2 and WP3
 - Describe the chain (follow the product) as indicated in WP1 by the Swiss team (annex c)
 - The aspects that the initiative aimed/is aiming to address, and the sustainability problems emerging from it.
- 3) Objectives and state-of-the-art of the type of initiative
 - Short description of what the case is about: briefly describe the initiative as response to the problem above defined
 - A general overview of the type of initiative in the national or international context. For example, for public procurement, fair trade, farmers' market there is already quite a lot of literature and many short cases could be shown. This section should embody information from other partners.
- 4) The story of the principal initiative

The case should develop a narrative explaining how a specific sustainability concept is progressively embodied into initiatives and how these initiatives change the existing networks. The story should follow the actors in their network building. The story should be subdivided into **translation cycles**. In fact, the process of network building is characterised by a 'closure', that is when a network consolidates into an organisation (in general, trough formalisation), can act as an actor (for example, a consortium, an association etc.) and can represent itself outside. Translation cycles are articulated into four stages: 1) problematisation, 2) interessement, 3) enrolment; 4) mobilisation, as explained in Carol and James' paper.

Each cycle brings to a consolidation of a new network, according to the following scheme:



Once enrolment has happened and mobilisation has started, the network works as an actor, and can activate new cycles of translation making part of new networks.

The passage from a step to another is marked by the presence of milestones.

1. Identification of the starter/s

- Identify the actors who started/manage the initiatives, their social and cultural background, and the conception of sustainability they carry forward.
- Describe the aspects of the story of the actor necessary to understand the nature of the organisation [for example, for cooperatives the story should cover the period from the foundation to the 'starting point' of the narrative, see next section].

2. Genesis of the problem and formulation of the initial project (Problematisation).

- The emergence of the problem, or its precipitation into actors' awareness, identifies the 'starting poing' of the case. In other words, the starting point should be identified as the moment in which the actor/s formulate a project to face a problem/crisis. All events preceding the starting point should be described in the preceding section.
- The genesis of the problem should be described in relation to external and internal pressures. <u>Milestone</u>: agreed definition of the problem.

3. <u>Development of the initiative (interessement - enrolment - mobilisation)</u>

Interessement

- Describe the initial project of the initiative.
- Analyse the way the starters are able to link up with other actors and with non humans (living organisms, built environment, technologies) around the project.
- Identify the resources they have access once they set up a relationship with new actors;
- Analyse the actions taken by the actors along with the project.
- Analyse how they deal with the principal obstacles to the fulfilment of their goals.
- Analyse how the initial project changes along with the process;
- Analyse how, for effect of any new relationship, the relevant network evolves.
- Map the network that has been constructed (see Appendix A), and describe the changes occurred compared to the preceding cycle.

<u>Milestone</u>: objectives around which actors 'align' [for example, the need to write common quality requirements]

Enrolment

- Analyse how, for effect of any new relationship, the actors negotiate/reshape their initial conception of sustainability;
- Analyse the different positions, the contrasts emerging and their resolution;
- Analyse the consolidation of the network around the obligatory passage points
- Map the network that has been constructed (see Appendix A), and describe the changes occurred compared to the preceding cycle.

<u>Milestones</u>: formalised outcomes: sustainability promise to the consumers, technical requirements, organisational rules;

Mobilisation

- Analyse how the new network operates to implement the proposed solution;
- Analyse how the new network represent itself to the outside (for example, how communicates the sustainability promise);
- Analyse the outcomes of the actions taken by the actors and assess their contribution to the performance of the initiative;
- Map the network that has been constructed (see Appendix A), and describe the changes occurred compared to the preceding cycle.

5) Satellite cases

Satellite cases should be either inserted as boxes within the preceding section, or as separate paragraphs. Each satellite case should make explicit the specific aspects to be compared and contrasted with the principal cases.

6) Profile and performance of the chain after the initiative

Respond to the questions generated by the main hypothesis and by the sub hypotheses

7) <u>Discussion</u>

- Potential for scaling up
- Highlight contradictions arising along with the scale-up of the initiatives

8) a short narrative of the case

The summary should put in a synthetic way the story of the case by showing the cycles of translation and the stages for each of them

6 METHODOLOGY: A SYNTHESIS

6.1 Hypotheses, research questions and indicators

Hypothesis: Scaling up an initiative in the field of NFSCs changes the nature of the organisation (structure, rules, procedures, values, goals) and its sustainability performance							
Sub-Hypotheses	Basic Reaserach questions	Common Indicators to all cases					
Sub – Hypothesis 1: Scaling up depends on commercial performance and appropriate public support	 Has the considered initiative scaled up? If not, why hasn't the initiative scaled up? How do the actors involved assess their commercial perfomance? What relation exists between marketing actions and these achievements? What kind of public support has been granted to the initiative? 	Rate of growth Price differentials Types of public support granted					
Sub – Hypothesis 2: Nature of organisation changes with scaling up as an effect of growth in market power and of the increased pressure of economic constraints and logics Sub – Hypothesis 3: NFSCs have a positive effect on rural sustainable development	 How has the nature of the organisation changed along the process of scaling up? How has market power distribution changed along with the initiative? Does the initiative support the rural economy? Does the initiative strengthen local and regional capacity to self organization and self governance? To what extent does the initiative improve the sustainability and liveability of the rural areas? 	Asset specificity Mapping of networks at different stages Narrative of network creation List of problems ranked by importance by stakeholders List of resources ranked by importance Number and type of stakeholders involved Rate of demographic change in the relevant area IDEA indicators as perceived by informants and stakeholders (see Wp1 report)					

6.2 Layout of the case

- 1) Introduction
- 2) The context (including the profile and performance of the (conventional) chain(s)/sector(s) before the start of the initiative)
- 3) Objectives and state-of-the-art of the type of initiative
- 4) The story of the principal initiative
 - 1. Identification of the starter/s
 - 2. Genesis of the problem and formulation of the initial project (Problematisation).

Milestone: agreed definition of the problem.

3. Development of the initiative (interessement – enrolment – mobilisation)

Interessement

<u>Milestone</u>: objectives around which actors 'align' [for example, the need to write common quality requirements]

Enrolment

<u>Milestones</u>: sustainability promise to the consumers, technical requirements, organisational rules; *Mobilisation*

- 5) Satellite cases
- 6) Profile and performance of the chain after the initiative
- 7) Discussion
- 8) a short narrative of the case

APPENDIX A – NETWORK MAPPING

To proceed with network mapping the following steps should be done (see annex):

- 1. Make a table with a list of involved actors, providing the following information for each of them:
 - a) classification of the actors according to the Dixon model

Production Processes

- production processes public and self provisioning
- grower organization & organizations
- labour as a factor of production paid and unpaid
- science production and application
- product design process
- regulatory politics

Distribution and Exchange Processes

- marketing and distribution networks
- retailing practices & organization
- food service practices
- labour as a factor of distribution paid and unpaid
- food knowledge & discourse production & application
- regulatory politics

Consumption Processes

- tertiary production
- conditions of access
- manner of delivery
- the environment or context
- the experience.
- b) scope of his/her activity: local, regional, national, international.
- c) role within the network
- d) the stage which they were involved in, classified into the four steps of the translation cycles:
 - problematisation
 - interessment
 - enrolment
 - mobilisation
- e) the objective of their project
- 2. make a matrix of the dyadic connections between actors, specifying the objects of their transaction, classified as follows:
 - commercial flows
 - information flows (technical / commercial / ethical)
 - financial flows
 - regulation flows
- 3. map actors and connections on a graph, describing the changes occurred in each of the four steps of the translation cycles

The network map will be constantly improved in the course of the research. The starting version will be used to single out the relevant categories (and the relevant number of people) to be interviewed.

See the following example.

Example – Network mapping of Cutigliano cheese case-study

List of actors of the Cutigliano raw sheep milk cheese network

Actor	Dixon classification	Geographical scope	Role in the network	Stage	Goal
Shepherd 1	Producer	Local	producer	Problematisation	To be able to continue the activity
Sheperd 2	Producer	Local	producer	Problematisation	To be able to continue the activity
Small retailer	Retailer	Local	Selling cheese	Mobilisation	To improve its business
Slow food Cutigliano	food knowledge	Local	Facilitator of the network, connection to Slow food Italy	Interessement	To valorize the product
Malvezzi	grower organization & organizations	Provincial	Facilitator of the network, connection with external networks	Problematisation	To give producers chances to survive
Slow food Italy	food knowledge	National	Carrying out the idea of Presidium project	Problematisation	To influence the culture of food in Italy
Retailer in Pistoia	Retailer	Provincial	Selling cheese	Mobilisation	To improve its business
Mayor of Cutigliano	regulatory politics	Local Support to the network, integration with other local networks		Enrolment	To valorize the product and the territory
Consumer	Consumers	Local (interessement) National (mobilisation)		Interessement Enrolment Mobilisation	
Local health authority	regulatory politics	Local	Monitoring activity on farms Interlocutor with the A.P.A and Region	Problematisation	To enforce hygienic rules
University of Florence	Food knowledge Science production and application	Regional	Technical Interessement innovation Interlocutor with A.P.A.		To give technical support
Restaurants	Food service practices	Local/ Regional	Selling and Promoting cheese	Mobilisation	To improve its business

Dyadic relations

Actor	Shepherd 1	Shepherd 2	Small retailer	Slow food Cutigliano	Malvezzi	Slow food Italy	Retailer in Pistoia	Mayor of Cutigliano	Local health Authority	Consumers
Shepherd 1		Information (technical and commercial) flows joint participation to events	Commercial flows: Supplier of Cheese on a weekly basis	Information (technical and commercial) flows Member	Information (technical and commercial) flows: Client				Regulation flows:	Commercial flows: suppliers Information flows: communication
Sheperd 2	Information (technical and commercial) flows joint participation to events			Information (technical and commercial) flows Member	Information (technical and commercial) flows Member		Commerci al flows: suppliers of cheese on a daily basis	Voter	Regulation flows:	Commercial flows: suppliers Information flows: communication
Small retailer	Commercial flows: Customer							Voter		Commercial flows: suppliers
Slow food Cutigliano	Information (commercial) flows: facilitator marketing assistence	Information (commercial) flows: facilitator marketing assistence			Information flows: joint initiatives	Informatio n flows: member		Information flows: joint initiatives		Information (ethical) flows: Communication
Malvezzi	Information (technical/commerci al) flows: Facilitator / technical and marketing assistance / representation with external bodies	Information (technical/commerci al) flows: Facilitator / technical and marketing assistance / representation with external bodies		Information flows: Joint initiatives				Information flows: Joint initiatives / Voter Visibility of the territory to the outside Financial flows: received the financial support	Information (technical) flows: negotiation in order to find technical arrangements	Information (commercial) flows: Communication
Slow food Italy				Information flows: Support to initiatives						
Retailer in Pistoia		Commercial flows: customer								Commercial flows: Supplier

APPENDIX B – CALCULATING INCOME AND EMPLOYMENT EFFECT

(FROM IMPACT TOOLBOX)

The most adequate concepts for employment effects in our opinion are **Annual Working Units (AWU)** and **Full Time Equivalent (FTE)** jobs.

FADN/RICA measures farm labour in AWU's, one AWU being equivalent to the work of one person working full time on the farm holding. For persons employed for less than the whole year on the holding the number of AWU's is calculated by dividing the hours worked by a standard factor for the no. of hours per AWU (differentiated per region/type of holding). AWU is a measure that expresses employment in the time actually devoted to the activity. In more general policy assessments Full Time Equivalent jobs is the generally applied concept. FTE is a measure to homogenize full-time and part-time employment. Part-time jobs may be converted into FTEs on the basis of two to one (See EC DG XVI Regional Policy and Cohesion - Indicators for Monitoring and Evaluation: An indicative methodology).

For many RD-practices primary data on employment effects are lacking. Here employment effects can only be estimated indirectly on the basis of income data. Since this type of calculation introduces a number of new methodological complications, it is important to <u>include all available primary data</u> on employment effects.

Employment effects can be calculated in terms of FTE on the basis of income data by dividing the additionally generated income with a standard wage/remuneration for 1 FTE. The most adequate measure for this is the income that is generally accepted as necessary for one person to make a living or the average wage of one full time agricultural labourer. A complication is that as far as we know there are no European standards for this. Moreover, the applied standard factors are highly differentiated between European countries (ranging from 30-35.000 Euro in Germany and the Netherlands to 11.000 Euro in Spain). It is therefore important to clearly indicate the standard factor applied in FTE-calculations. Also all teams are asked to let the central team in Wageningen know at short notice what is the commonly accepted standard wage/remuneration for these type of calculations in their country/region.

A last point to take into account concerns the complex ways in which additionally generated income and employment effects are related. In fact by calculating FTE's we do nothing more then expressing income effects in numbers of 'jobs', i.e. it does not tell much about the actually generated jobs. In the context of RD an important distinction to be made is that between new jobs created and jobs that would have been lost without RD. This implies that an additional income equivalent to 1 FTE could be used for the creation of 1 new job, but also for maintaining say 5 farm jobs that were previously generated insufficient income to make a living (in this case 80% of the income equivalent to 1 FTE).

APPENDIX C – INPUT FROM WP1 FOR CASE STUDY METHODOLOGY

Swiss team

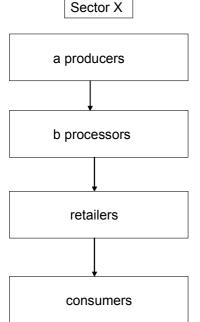
1. mapping and typology of food supply chains

This chapter is dedicated to macro-level analysis. It gives the frame within which initiatives create and grow. Some specific tools were built in order to better take in account the new structure of food supply chains and the diversity of the marketing strategies. These tools, which were designed for WP2 analysis, will be also useful during WP4 for analysing initiatives marketing issues.

1.1 Mapping of sectors

The classic representation of a sector is based on a horizontal approach that mixes actors at each level of the supply chain (figure 1). This traditional representation of the supply chains in sectors has lost its relevance as a large part of the supply chains is now organized in vertical subsystems.

figure 1: classic representation of a food supply chain (sector analysis)



We propose another point of view that is based on a vertical approach, which groups together actors that are effectively trading . It identifies main firms (channel captains) and competing vertical organisations including imports (figure 2). The different systems that are marketing sustainable agriculture products to the consumers are highlighted with different colours.

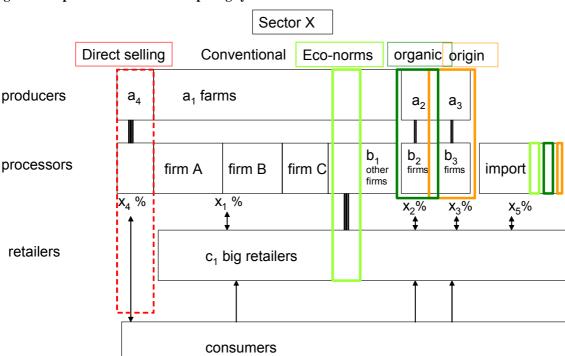


figure 2: representation of the competing systems within a sector

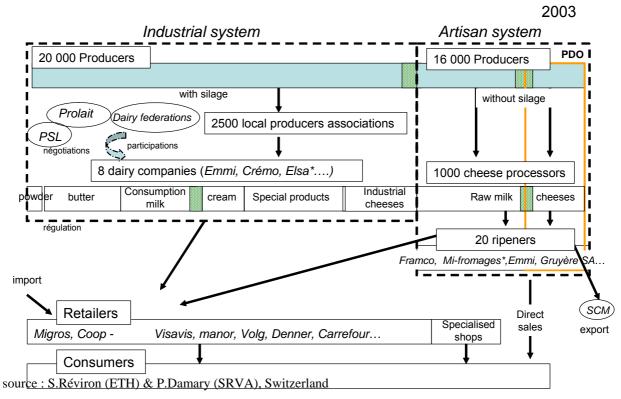
a, b, c = actors' number.

 $x_1, x_2, \dots x_5 =$ estimated market shares

source: S. Réviron (ETH)

Here after is an illustration with the Swiss dairy sector (figure 3))

figure 3: map of the dairy sector in Switzerland



^{*} Group belonging to Migros