



Tropentag, October 6-8, 2009, Hamburg

“Biophysical and Socio-economic Frame Conditions  
for the Sustainable Management  
of Natural Resources”

## Governance Relations on the Global Value Chain of Northeast Brazil’s Grapes and Mangoes: The Influence of Private Standards on Local Bargaining Competencies

GUSTAVO HENRIQUE DE SOUZA DÍAS

*Humboldt Universität zu Berlin, Department of Agricultural Economics, Germany*

### Abstract

Authors engaged with the study object of Global Value Chains (GVC) and globalisation of agriculture stress that the institution of grades and standards as groundwork of market regulation and coordination is a central feature of the globalisation process, being the former a fundamental entryway for the international market. The extent to which compliance to international market standards enable the capture of more value-added activities in global market is a major trait of developmental processes on global value chains nowadays. But the degree to which it promotes actual competitiveness of local players is, however, not so clear. A study project on a producing region of fresh grapes and mangoes in northeast Brazil illustrate the case of local actors involved in a strong agribusiness sector on irrigated fruit production which for some years has lived the process of overarching productive restructuring to comply with demands of main international consumer markets for mangoes and table grapes. Although in preliminary phase, the study project is already supported by data collected in exploratory interviews with fresh fruit and vegetables (FFV) GVC’s key actors and the outlines of a longer research conducted by the Globalisation of Agriculture Research Group in the Federal University of Pernambuco on the aimed research region, the San Francisco Valley in Pernambuco, Brazil. The work seeks to illuminate on the dilemma of the vulnerability of local actors in the attempt to cope with quality perceptions and arrangements structured by international players. According to collected data quality standards are an increasingly important framework which influences productive parameters, local rhythms and strategic possibilities for economic development and social change, promoting particular advancements in food safety, social and environmental responsibility at the same time that enforce the reproduction of power asymmetries and the shrinking of actors’ bargain competencies upstream. The latter point to the necessity of investigating the build up of competencies related to the structuring of market coordination instruments and quality assessment.

**Keywords:** Bargaining competencies, global value chains, globalisation, private standards