



Tropentag, September 16-18, 2026, hybrid conference

“Towards multi-functional agro-ecosystems
promoting climate resilient futures”

The role of governance and institutions in participation and upgrading in global agrifood value chains

EDMOND NYUYKI MAINIMO, DELA-DEM DOE FIANKOR

University of Göttingen, Dept. of Agricultural Economics and Rural Development, Germany

Abstract

Global agrifood value chains (GAVCs) have expanded rapidly in recent decades, reshaping agricultural production and transforming food systems by linking producers, processors and consumers across borders. Despite this expansion, the gains from this expansion remain unevenly distributed. While some countries have moved into higher value-added activities, others remain concentrated in low-value production. Understanding the factors that drive both participation and upgrading in these value chains is critical. This paper examines how governance and institutions quality shape countries' integration into GAVCs and their position within these chains. Although existing literature demonstrates that institutions influence trade flows and agricultural performance, systematic cross-country evidence on their role in value chain participation and upgrading remains limited.

Using cross country panel data combining measures of agrifood value chain participation with indicators of institutional quality, this study examines how governance affects a countries' participation and upgrading in GAVCs. GAVC is derived from the UNCTAD-EORA multi-region input-output database, capturing forward and backward linkages for 137 countries over the period 2000–2020. Governance quality is proxied by the World Governance Indicators. Upgrading is measured as the relative participation of countries in higher value-added downstream segments of the agrifood sector compared to primary agricultural production. The empirical analysis applies panel fixed effects models to estimate the relationship between governance, participation and upgrading.

The results show that higher governance quality is positively associated with participation in global agrifood value chains and plays a significant role in enabling upgrading. Countries with stronger institutions are more likely to engage in higher value-added segments, whereas weak governance constrains both integration and upgrading, reinforcing dependence on low-value activities. By distinguishing between participation and upgrading, this paper provides cross country evidence on governance shapes both the extent and nature of integration into global agrifood value chains. The findings offer important policy insights for institutional reforms aimed at promoting more inclusive and value-enhancing participation in global agrifood markets.

Keywords: Global agrifood value chains, governance, institutional quality, participation