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**Addressing poverty through Inclusion in Global Production Chains:
Who wants it?**

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Introduction

The promotion of social inclusion of smallholders in commodity chains is part of new development policies ('change through chains'). As a consequence, there is a renewed interest in different forms of contract farming as instruments for inclusion. A major assumption in much of the value chain (VC) literature is that inclusion, insertion or participation of smallholders in VCs, particularly global chains, will be beneficial for them in terms of addressing income poverty and for that reason is desirable. Exclusion, not inclusion, is considered by policy makers as having negative consequences for producers.

The roots of the concepts of social inclusion and exclusion are in the social policy discourse within the European Union but these concepts have also been incorporated into development discourses. Social exclusion was intended to denote not just a lack of material resources but also a lack of rights and strength of mutual interaction. The notion of social inclusion as a mechanism to address poverty issues is contested (Hickey and Du Toit, 2007). Social inclusion as a multi-dimensional concept is misleading and elusive. It can be argued that social inclusion is not necessarily good for the poor, nor is it necessarily wanted by them (Hospes and Clancy, 2011). For example, the terms of contract farming arrangements may entail terms of inclusion in value chains that are detrimental to participants – what McCarthy refers to as 'adverse incorporation' (McCarthy, 2010). Therefore, the terms of inclusion can be a determining factor in opting for inclusion or exclusion. However, as we show in this paper it is not only the terms of inclusion which can be detrimental but also the terms of exclusion which can have adverse effects on rural people. Nevertheless exclusion can also be an act of agency: people can 'prefer their outsider status because it allows them to define their own values and priorities' (Kabeer, 2000: p.88). We also take the position advanced by Hospes and Clancy that social inclusion is about more than economic inclusion (participation in economic exchanges, relations or systems), it is also about political inclusion (participation in the making of different institutional arrangements: policies, rules, conventions, contracts) and about cultural inclusion (values, principles and norms in economic exchanges and political processes) (Hospes and Clancy, 2011).

This paper draws on field work in India and Colombia, and secondary data from Brazil, related to Biofuel Global Production Chains to assess some of the factors, including gender, which determine whether or not actors opt for inclusion or exclusion. This paper uses the concept of "embeddedness" as advanced by Granovetter to explain why actors opt for inclusion/exclusion in Global Production Chains (GPCs). However, since the concept does not address power relations, which is regarded as an important factor in the apportion of benefits of participation and hence poverty impacts, the analysis is extended by the application of languages of valuation and the notion of scale as used in political ecology.

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Who wants and who gets inclusion and exclusion: Case Studies from Colombia and India

Colombia

The Colombian palm oil industry 'inclusive businesses' strategy seeks to integrate small-scale farmers in the production chain through strategic productive alliances with large palm oil producers. Integration of palm oil production with through contract farming arrangements to grow oil palm are known as "productive alliances". Productive alliances are part of a business model to integrate associations of small- and medium-scale land holders (supply allies) into the bottom-end of a supply chain of a palm oil extraction company (anchor company). Under the productive alliances model the supply allies commit to devote land and work to grow oil palm and supply fresh fruit bunches (FFB) to the anchor company, while the latter commits to buy the FFB from the allies. In most of the cases the supply allies take loans to cover costs of the plantation establishment.

The anchor company controls the plantations through the conditions of the alliance agreement. Typically, the agreement involves a long term exclusive supply commitment on the part of the growers. The term is usually equivalent to the commercial lifetime of a plantation, i.e. 25-30 years. Moreover, supply allies also commit to follow the recommendations of the anchor company in terms of technical management of the plantation and administrative management of the alliances in order to ensure the quality of the raw material and the efficiency of the business (Cecodes, 2010). Usually, the palms and the technical support and extension services provided by the anchor company must be paid by the supply allies to the anchor company.

The first 500 hectares of oil palm cultivated under a productive alliance scheme were planted in 1999. By 2010, there were 109 associations grouping about 5000 growers throughout areas growing oil palm (Mesa Dishington, 2011). Between 2000 and 2010, about 25% of the new hectares cultivated with oil palm were under the form of "productive alliances" (Mesa Dishington, 2011).

Smallholders living in the areas of oil palm cultivation can be divided between those who are included in palm oil production chains and those who are excluded. The first group is made of actors who opt for inclusion in palm oil production chains by participating in the industrial, that is a monoculture model, of oil palm cultivation. The second group is made up of actors who opt for exclusion from palm oil production chains: small-scale landholders and Afro-Colombian communities living in rural areas.

The smallholders opting for inclusion are not a homogeneous group. The membership configuration of the associations engaged in productive alliances is varied and complex as are their motivations for opting for inclusion. On one hand, there are smallholders who have also worked on oil palm plantation and see participation in the value chain as a positive livelihood opportunity. (Marin-Burgos, forthcoming 2014; Reales Castilla, 2009). They also have the experience and knowledge of oil palm cultivation. There are also growers who were previously involved in the illicit coca cultivation. Government financial support for oil palm cultivation makes this a profitable alternative crop and also offers farmers to don the cloak of legitimacy. There are also members of productive alliances who are not farmers themselves as, but are people from nearby towns or landowners that entered into oil palm cultivation to extract rents from the land (Pérez Castro, 2012; Reales Castilla, 2009).

On the other hand, farmers that come from a peasant tradition with no experience of the type of commercial cultivation required to manage an oil palm plantation (Marin-Burgos, forthcoming 2014; Gómez López, 2010; Pérez Castro, 2012). This group opt for inclusion due to a lack of alternatives derived from a historical process of marginalization that smallholders in Colombia have been subject to. What Blaikie refers to as "the process by which they lose the ability to control their own lives (where they live and derive their income, what crops or stock they produce, how hard and when they

work)" (Blaikie,1985: 125). This marginalization in Colombia has been furthered by the displacement and the destruction of the socio-economic bases of rural areas resulting from the armed conflict and illicit coca production (Ibáñez and Moya, 2010). In such a context of marginalization, the government has promoted an inclusive business model of oil palm cultivation with potential to bring peace and development to rural areas (Murgas, 1999). Therefore, for those who had been displaced and marginalised this incorporation scheme emerged as "the" option to be able to gain or maintain access to land and to ensure subsistence and income for their families. One can contest as to whether this is voluntary inclusion or forced participation.

The smallholders opt for exclusion consider that agro-industrial monoculture cultivation system of oil palm is at odds with their traditional systems of production which include multiple activities such as low-intensity agriculture of food crops like plantain and fruits, livestock raising, and fishing (Escobar, 2003; Marin-Burgos, forthcoming 2014). Production is at the subsistence level with a small surplus for local markets. The scale and practices of farming are seen as an essential of smallholder families' identity and culture which co-exist with, and is dependent on, the natural environment. The smallholders see their ethos as completely at odds with the monoculture of oil palm. Farmers fear that if they put their lands under oil palm cultivation, they put at risk their food-security. They cannot eat oil palm fruits. Moreover, being a non-native tree, they do not know how to grow it. This would create a dependency on the agro-industry for the necessary farming knowledge.

There is another group of excluded people whose exclusion can be regarded as forced. This group are farmers who do not own land but have access to land through a variety of tenure arrangements, such as land-rental and sharecropping agreements with landowners (Lastarria-Cornhiel, 1998; Meertens, 1985). These farmers may end up being dispossessed of their livelihoods when landowners decide to change the use of land to devote it to oil palm cultivation. There are also landless people who farm on public land some of whom have been thrown off this land illegally by oil palm growers looking to expand production. This group of landless people are dispossessed of their culture, identity and kinship-based social relations.

Farmers also resist this alienation of land and displacement as well as what can be seen as incorporation by coercion into global production chains. We return to this issue below.

India

Biofuels Programme Background

India has embarked on a biofuels programme which sees biofuels as an opportunity for indigenous fuel production to contribute to the increasing fuel demand linked to economic growth so enhancing fuel security (at local and national levels) and saving on foreign exchange. The medium term aim is to substitute 20% of petroleum fuels by biofuels by 2017 (Government of India, 2009). States are required to develop their own biofuel programmes. The feedstocks promoted are: molasses (by-product from sugar refining) to produce bioethanol and non-edible oil seeds from perennial shrubs and trees for production of bio-diesel. The bio-diesel feedstock is to be grown only on degraded forest and non-forest lands. The latter includes 55.3 million ha of land classified as wasteland. The national programme aims to provide a stimulus to rural development and poverty reduction through job creation and increased incomes. Social inclusion, particularly for women and landless people, is identified as a priority in the bio-diesel programme.

Jatropha curcas (afterwards written as *Jatropha*) has been promoted for biodiesel because it is considered that the crop best fits the diverse agro-climatic conditions of India. There are at least 300,000 ha dedicated to *Jatropha*. The crop is promoted as requiring low inputs of water, labour and fertilizers. The seeds can be collected during the non-agricultural season, spreading income distribution throughout the year.

However, *Jatropha* in practice does not appear to meet expectations. In an analysis of the biodiesel programme in Tamil Nadu, Ariza-Montobbio and his co-workers consider that the outcomes are distinctly not pro-poor nor is agricultural practice promoting biodiversity. Agricultural research stations reported yields, after 3 years, of 7500 kg/ha under irrigated conditions and 2500 kg/ha under rain-fed conditions, while in practice farmers reported yields one-tenth of those reported by research stations (Ariza-Montobbio et al., 2010). This is a new crop and farmers have no knowledge about the optimal inputs and likely yields. The promised extension services necessary for supporting the introduction of a new crop failed to materialise. Farmers also had to wait at least three years before they can harvest the seed and hence could expect any income which in the event was lower than expectation. As a consequence many smallholders in Tamil Nadu have uprooted their plants finding them not economically viable. On the other hand farmers with large land holdings (that is, greater than 2 ha) and with irrigation facilities have embraced *Jatropha* production. These farmers have the resources to first wait for the first harvest and can afford the inputs which increase yields. Biofuel companies see opportunities for growing *Jatropha* but prefer not to collect from smallholders but seek to access large areas of government designated 'waste land' leading to monocultures and a decrease in biodiversity. There are signs of displacement of food and fodder crops by *Jatropha* leading to fodder shortages and farming households buying cooking oil.

Smallholder production in Karnataka

Our case own findings in India are in stark contrast to those of the experiences reported in Tamil Nadu. As part of implementing the biofuels policy in Karnataka, the University of Agricultural Sciences, Bangalore was asked in 2006 to set up a Biofuel Park in Hassan district. The district consists of 2559 villages, with a range of distinct ecological zones, ranging from tropical to semi-arid. The Biofuel Park programme (BPP) takes both ecological and social issues into account. In terms of the ecology, multiple varieties of non-edible oil producing indigenous plants are used which are supplied to the farmers free of cost. Species are selected so that they yield seeds at various times throughout the year thus ensuring an even oil output, and hence income, throughout the year. The BPP also acts as an intermediary between the farmers and the biodiesel oil company which involves overcoming the resistance of the oil company to take supplies from multiple, that is smallholder, suppliers and obtaining a 'fair' price for the farmers' oil.

The land selected for growing the bio-diesel crops includes bunds, hedges and backyards since they are not used for agriculture and this avoids interfering with food production. The bunds that run across fields and the hedges surrounding fields retain residual moisture and are hence ideally suited for rain-fed irrigation, although the saplings do need to be watered during the first year. The programme actively discourages using agricultural land and 'waste land' for biofuel crops although in some places degraded wastelands have been used when farmers have expressed an interest in so doing.

Care is also taken not to interfere with the normal daily livelihoods cycle. The land used is close to where farmers live and work and the area of land dedicated to biofuel crops per farmer is small. Thus, in theory, it is not time consuming for the farmers to monitor the plants. Plants grown in backyards are in the domain of women who already grow fruit bearing, flower and timber yielding plants for their daily needs. Women are able to integrate any necessary care for the plants or to harvest the seeds into their normal schedule without adding to their time burden. A typical reaction of many women opting for inclusion:

"I am interested in growing biodiesel crops. It is an activity that easily fits into my existing schedule. I am aware that by growing these crops I will not make a lot of money but nevertheless I will at least get a small amount that will help supplement my needs."

Villagers are able to exercise influence over value chain governance. Each participating village sets up a Farmer's Association comprising of five men and five women. The economic and political

inclusion of women is enshrined in the central government's policy to promote social inclusion. Each member is assigned a role in the biodiesel programme in their village. Under the government's biofuel programme, villagers are able to decide themselves whether or not to sell the seeds or refined oil (bio-diesel) or to keep the oil for local use. At the time of the fieldwork, 300 villages had Farmer's Associations, 900 villages had participated in training programmes and 1975 villages had had awareness camps which explain about the possibilities for growing feedstock plants (Narayanaswamy et al., 2009). Any oil produced under the Biofuel Park programme was being used by the farmers themselves or sold within the community for use in tractors or as a pesticide. The seeds were not being sold to the bio-diesel company despite the villagers being guaranteed a price for their seeds.

There are also farmers within participating villages as well as complete villages who are opting for exclusion. One male farmer expressed a common view of non-participating male farmers: "These bunds, hedges and household backyards are of no interest to me as I have neither the time nor the mindset. Managing these lands is far too simple and thus more suited to my wife. Working on agricultural fields and farm plots is what interests me" (Narayanaswamy, 2009).

The women seem more positive about inclusion in biofuels production. The women find using their backyards for biofuel crops convenient since they can integrate this with other household chores. The women in Hassan are already active in income generation as farmers either working with their husbands in their own fields or selling their labour to larger farmers, and they also take care of livestock. Many of the women are already members of self-help groups which empowers them to participate in the Farmers Associations, indeed women chair these organisations.

Villagers are reluctant to declare to outsiders their income from the seeds. Although one farmer did reveal that, in 2008, he received about 600 Rs (\approx €10) from selling the seeds from two pongamia trees on the open market. This sum is about 5-10% of the typical annual income of a small farmer. More income would be generated if the sale of the oil cake, leaf litter, carbon credits etc. could be organised. (These techniques would not threaten food security or have adverse environmental impacts.) However, the Biofuel Park approach is one of promoting growing biofuel seeds as a supplementary income rather than a crop for significant diversification and substantial increased income.

Inclusion/Exclusion – more than terms of incorporation

We agree with McCarthy that processes of inclusion/exclusion are more complex than simple narratives suggest (McCarthy, 2010). Actors face complex situations where few are ever simply excluded or included. In this section we examine these situations in the context of Colombia and India, while drawing on secondary data from Brazil, by analysing four factors which influence who is included and who excluded: the role of the government; the degree of rural people's control over institutions and processes; culture and identity with place and landscape; the role of third parties.

The role of government

The role of the state in framing of support for biofuel production chains has been important for determining the terms of inclusion and who is included/excluded. In Colombia, the government saw palm oil cultivation as a mechanism that would contribute to peace and development through the productive alliances incorporating smallholders into the Programme "Productive and Social Alliances for Sowing Peace" (Murgas, 1999). This is not economic inclusion to address rural poverty but inclusion to reach political objectives.

The capacity of government institutions to help track land deals has been questioned and official statistics are often out of date (Vermeulen and Cotula, 2010). This has certainly been the case in

Colombia where companies have been able to occupy state land and convert it to oil palm.

The Lula government in Brazil, aware of the inequalities in power and resources in the biofuels production chain, introduced policies in 2006 that attempt to secure rural livelihoods by using financial instruments which make it attractive to large-scale refineries to source their feedstock from small-scale farmers (Worldwatch Institute, 2007). Farmers are supported by agricultural extension services in both cash crop production and food crops so enhancing food security. Biodiesel produced under this scheme is awarded the “Social Fuel Seal” and producers are able to use the Seal as a marketing instrument. Criticism from social movements has begun to emerge concerned about the type of agreements the farmers have entered into with large companies which effectively keep small-scale farmers at the low value end of the chain with no government support to enable them to own the higher value processing units (Abramovay and Magalhaes, 2007). Women in South Africa also objected to their inclusion at the bottom-end of the value chain where the minimum value is added.

The national biodiesel programme in India has an objective the specific inclusion of small-farmers, women and landless people. A particularly empowering aspect of this programme is the right villagers have to determine what happens to the seeds they grow. There is no compulsion to sell to BGPCs. This objective is interpreted in different ways at the state level. The state government of Andhra Pradesh has helped landless people set up self-help groups and then granted them usufruct rights to harvest trees planted on degraded common land without transferring land rights to the groups (ICRISAT, 2007). To ensure the participation of small-scale farmers in biodiesel production the State of Chhattisgarh distributed *Jatropha* seedlings free of charge as well as oil presses to *panchayats* and a guarantee to buy seeds (Fairless, 2007).

The degree of rural people’s control over institutions and processes;

In Colombia, rural people have little political power to influence palm oil expansion. Palm oil expansion in Colombia has been to a large extent driven by governmental support through different instruments such as credit, subsidies, fiscal incentives, state direct investment, price regulations and biodiesel blending mandates. The adoption and implementation of these instruments have been highly influenced by the palm oil agro-industry, as this enjoys a privileged access to government (Marin-Burgos, 2014 forthcoming). For example, the National Federation of Oil Palm Growers (Fedepalma) has actively participated in the design and adoption of the instruments that have enabled the palm oil expansion (Mesa Dishington, 2009). As the government has served as a vehicle for the agro-industry to advance their economic interests, rural people who self-exclude from the commodity chain are in weak position to challenge the palm oil expansion since they are also excluded from the institutions governing these processes.

Governmental instruments supporting palm oil expansion stimulate the formation of “productive alliances” without establishing rules regarding the terms of inclusion. As a consequence, palm oil producers that establish alliances with small growers control the terms of inclusion through the conditions of the alliance agreements. Alliance agreements tend to place a substantial economic burden on the small growers and limit their commercial and technical decision-making. Typically, the allies take loans to cover costs of the plantation establishment and sometimes purchasing land (Cecodes, 2010). The agreement involves a long-term exclusive supply commitment from the part of the growers. In addition, allies also commit to follow the recommendations of the anchor company in terms of technical management of the plantation and administrative management of the association in order to ensure the quality of the raw material and the efficiency of the business (Cecodes, 2010). Usually, the palms and the technical support and extension services provided by the anchor company must be paid by the supply allies to the anchor company.

As a contrast in the case reported here in Karnataka, there is clear evidence that rural people are able to exercise control over their terms of inclusion in biofuels value chains. The farmers in each

village who decided to grow biodiesel crops were able to set up a Farmer Association comprising of ten members of which five are men and five are women. Each member is assigned a role in the working and monitoring of the biodiesel programme in their village. The members of the Farmer Association are elected by the village. Only those willing to grow biodiesel crops are elected. The men and women selected tend to be those who are not only knowledgeable in the field of biodiesel but also who are active and show keen interest in taking the programme forward. Women who belong to Self Help Groups (groups that work for the financial betterment of the members) are usually chosen since they are considered to have entrepreneurial characteristics and hence can make an active contribution to the programme management. Women occupy important positions in the Association, including President and Treasurer. The Indian Government's biofuels programme allows the villagers the right to determine what happens to the biodiesel crops they grow. They can sell to the market or they can use the seeds or oil for themselves. It is the latter option (at least in the early stages of the Biofuels programme) which the villagers in Hassan have opted for. Similar positive experiences for women are reported in other programmes in India.

Culture and identity with place and landscape – 'language of valuation'

Companies involved in the palm oil chain in Colombia claim to be committed to rural development and social inclusion through corporate social responsibility programmes. However, their interaction with rural people is insensitive to the way in which rural people see and understand the place where they live. When companies refer to land they use the language of exploitation and the language of the market: i) how much the land costs, ii) the minimum amount of land needed for the cultivation to be economically feasible, and iii) how much land is required to produce enough biofuel crop to meet the production capacity of the processing plant and ensure economies of scale. Land is valued in financial cost-benefit terms (Marin-Burgos et al., 2014 forthcoming).

Conversely, rural people consider land as an essential element of the whole environment that constitutes not only the "place" or "space" where they make a living, but also the "space for being" i.e. the habitat where they develop "their being in/with nature" (Escobar, 1998 and 2008). A mode of relating with land that includes its productive function but goes beyond it. It is central to their identity. Living in the land allows the establishment and reinforcement of kinship-based social relationships, so strengthening identity and culture, and contributing to the formation of social capital and solidarity ties (Marin-Burgos, forthcoming 2014). The natural world is endowed with cultural significance where the natural landscape, such as forests and springs, can be places of spiritual or aesthetic value (Ash and Jenkins, 2007; TEEB, 2010).

Land that is not currently being used for agricultural production can be classified by governments as "degraded", "unproductive", "idle", "marginal" or "abandoned". In order to avoid the criticism of crop land being diverted to fuel production, governments are now promoting the use of such land types. However, this is often not how rural people, particularly the poor and more vulnerable, will view this land which can form an important resource for rural households who use it for farming, herding and providing goods and services, such as food, fuelwood, fodder, building materials and medicines, (Kantha and Larson, 2000). A survey of villages in Hassan district, Karnataka, India, found that land officially classified by the Ministry of Rural Development as wasteland was viewed very differently by farmers who used the land for grazing livestock and by women who use this land as a source of fuelwood, medicines and flowers for use in religious ceremonies (Narayanaswamy, 2009). Indeed, crop land was left idle when there were insufficient resources, both human and financial, for cultivation and the farmers' own perception of this land is that it is set aside until circumstances improve to bring it back once more into cultivation.

In Maranhão, Brazil, women control the harvest and sale of the Babaçu palm oil (Instituto Equit 2008). However, the women consider biodiesel production under the control of the PNPB as a mechanism to destroy their carefully built economic power (in the household sphere) and political

power (in the wider society). They expect that the PNPB will require a different type of extraction and much larger scale of production which is not compatible with existing production systems. As a result, they fear that the economic inclusion of babaçu production under the PNPB will cause many household and land conflicts that will be lost by women because they do not hold land titles. Smet (2010) concluded that small producers of castor bean in Bahia, Brazil, fear that economic inclusion through contracts with biodiesel companies will threaten their livelihood security, for example, by forbidding the use of their traditional mixed cropping system of maize and beans.

The rejection of large-scale estate production of biofuel crops on the grounds that it is not compatible with local values is in keeping with our findings in Colombia. Attributed values that cannot be measured exclusively in monetary terms and do not follow utilitarian economic cost-benefit logics is a motivation for self-exclusion. Land is valued by rural people in terms of livelihoods understood as a source of identity (Avcı et al., 2010; Bebbington et al., 2008). In other words, biofuel agri-business models promote cultural exclusion.

Third party support

In our field work we find that third parties are important in supporting rural people's agency for inclusion or exclusion in Biofuel GPCs. In Karnataka the Hassan Biofuel Project plays a multiple role – it provides growers with agricultural extension advice and it acts as an intermediary between the villagers in the project and the oil processors. The income levels are made clear to farmers from the beginning – this allows some farmers to opt for exclusion while others opt for inclusion. The scale of production is compatible with local practices and ecology – farmers use the bunds traditionally planted with shrubs, and the oil seeds are indigenous. The scale of production also allows women the opportunity to grow seeds within their own sphere of influence.

An evaluation of 15 small-scale bioenergy projects spread across the South clearly showed that when there was a leading role for NGOs and CBOs in a bioenergy project there was considerable attention for equity (Practical Action Consulting, 2009). The role of the NGO and CBOs in the 14 case studies varied from including contract negotiation, financing and quality control.

In the case of Colombia, the support of a local non-governmental organization (Magdalena Medio Corporation for Peace and Development- CDPMM) based in the central region of palm oil plantations has been key to enable participation of rural people in oil palm cultivation under a model that allows independency, self-management and capacity building of associations of small growers. Under that model, the participants can establish and manage small plantations in a way that is closer to traditional farming practices and are not subject to the control of a specific palm oil producer. Third parties such as grassroots organizations, national and international NGOs, and state or international entities in charge of ensuring rights protection (such as the Office of the Ombudsman and the local, national and international courts) have been instrumental in enabling rural people who reject oil palm cultivation to maintain access to their lands without being forced to participate in oil palm cultivation.

Conclusions – Who wants to be included/excluded and why?

We are in agreement with Hickey and du Toit in showing how 'localised livelihood strategies [were] enabled or constrained by economic, social and political relations' (Hickey and du Toit 2007, 4).

In this paper we have demonstrated that the narratives of both the policy advocates of biofuels as a driver of rural development and the NGO and social movement opponents of biofuels at any cost rather simplify the realities of such programmes. Inclusion in biofuel chains is wanted by some and rejected by others. Inclusion and exclusion is determined by more factors than the contractual terms of inclusion.

We consider that the concept of “embeddedness” as advanced by Granovetter offers a starting point to explain why actors opt for inclusion/exclusion in Global Production Chains beyond the terms of the contract. To put it simply, actors are motivated by more than economic goals. Participation in a GPC may provide an opportunity for a smallholder or a landless person to gain status or to consolidate his/her power in social relationships or provide access to resources which would not otherwise be available (Granovetter, 1985). For example, as our Karnataka case shows, women will opt for inclusion in Biofuel GPCs if they consider this opens up new opportunities not already colonised as a ‘man’s domain’. Inclusion in this context has been shown to empower women not only financially but also socially and politically. In Colombia, palm oil has allowed those previously engaged in illicit activities to operate in a legitimate business and thereby gaining status.

The concept of embeddedness also draws attention to the fact that those targeted for social inclusion, ‘the rural poor’, are already ‘included’ in an existing set of economic relationships, social relationships, value systems and political processes. For rural people, inclusion in biofuel GPCs is not only a switch to a new crop with new economic relationships but requires also the adoption of new rationalities (a switch from interpersonal relations between actors which carry obligations and levels of trust which ensures that transactions are carried out honestly to those based on formal laws and regulations) and to embrace new values (land as money not as a source of identity). In other words the concept of embeddedness helps explain why inclusion in GPCs is not necessarily wanted by the target group.

Granovetter’s analysis can be extended to assess how economic action is embedded in relations between chain actors and non-chain actors. Non-chain actors can be social and political actors. We have shown how non-chain actors can play an important role in helping rural people reach their objective of inclusion or exclusion particular where the state fails to protect the rights of all citizens. We want to stress that exclusion can be an act of agency rather than an enforced state.

We consider an important contribution of our work is to show how opting for inclusion or exclusion is not necessarily governed by the financial conditions of contracts but whether or not the processes of (biofuel) GPCs align with cultural values.

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