

The institutionalization of Participatory Guarantee Systems (PGS) in Brazil: organic and fair trade initiatives

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Abstract

Since the nineties the Brazilian organic movements have been looking for alternatives to certification. They have argued that in and of itself or alone certification of family farms and small enterprise is not enough to promote either the learning processes associated with organic production or stimulate development of the local market. The discussion on a Brazilian System for Fair Trade began in 2004, and PGS were considered helpful for organizing farmers, providing guarantees and improving the market. In 2007, a draft of PGS regulation for use in organic was elaborated. The same actors who helped build the Organic System are also discussing Fair Trade System. With the help of public resources, NGOs and family farmers have established systems that provide credibility to consumers with regard to organic qualities and fair trade criteria. The use of PGS is a trend for family farmers trying to access quality markets and also helps participatory research. To some, one perceived challenge is to integrate the two policies (organic and fair trade) since the target publics are similar and the international cooperation agencies give support to both. However, current international initiatives for regulating PGS do not take into account the position of local movements. In the nineties a strategy blind to such a weakness split the organic movements in Latin America and it is unlikely that a similar strategy will promote harmonization or equivalence in the future.

Introduction

When the first Brazilian organic regulation was established in 1999, the perspective for using other conformity assessment mechanisms in addition to certification was institutionalized. Officially recognised organic agriculture (OA) in Brazil which represents around 19 thousand projects includes big enterprises but is mainly comprised of family farmers (around 80%). In 2003, when the Law 10.831 for OA was published after being discussed by public and private organizations, PGS became recognised in the regulations. The first Brazilian initiatives on Fair Trade (FT) were for export (coffee, cacao, orange juice). After 2001, the discussions on the development of FT began at local level. The target public of this initiative is the solidarity economy

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movement organized by groups or associations. Again PGS was considered as a possible mechanism for consolidating credibility in the local market. Research suggests that consumers tend to associate organic and fair trade principles when purchasing food and non-food (Wilkinson, 2006).

Material and methods

This paper is based on a social network analysis and it depicts the actors within PGS regulation in Brazil, examining the motives and the methods involved in developing these systems. It identifies the conventions underlying the negotiations on the criteria for conformity assessment carried out by public and private sectors. The profile, principles, criteria, challenges and limitations of the organic and fair trade experiences were investigated to capture the institutionalization of those two local markets and identify their convergence. In addition to theses on OA (Fonseca, 2005) and FT (Mascarenhas, 2006), and academic publications (Wilkinson, 2006; 2007), information on OA was primarily based on two PGS workshops held in 2007. In these meetings, representatives from the organic and fair trade movements, involved mainly with family farmers and local development, but also with international trade, got together to elaborate a proposal for a PGS norm to be presented for approval at the Organic Agriculture Sector Chamber of the Agriculture Ministry. Information on Fair Trade was also gathered during the meetings of the Working Group (WG) for the Brazilian System of Fair Trade at the Ministry of Work and Employment, in addition to the database of the Solidarity Economy published in 2005 (Brasil, 2006).

Results

In 2002, a pilot project was implemented in Brazil by the ISEAL Alliance to promote the development of conformity assessment criteria, exploring the opportunities and challenges for family farmers involved in organic and fair trade markets. Two inspections (organic and fair trade) can imply double costs, more bureaucracy and greater time spending for family farmers. At this time, the idea of a clearing-house for harmonisation/mutual recognition was discussed. Those issues were also aired at the ITF FAO/UNCTAD/IFOAM for harmonisation and equivalence on organic standards (Wynen, 2004). PGS for organic guarantee systems has been discussed since the nineties and as from 2002 it has been explored in relation to the Fair and Solidarity Trade System. Since then public audiences have discussed the principles and criteria and a WG was created in 2006 to elaborate the framework of the system.

Shared Networks and Values – the Organic and Fair Trade movements have based their standards on international references but have made adaptations to local contexts based on agro ecological and solidarity economy criteria. Officially recognised organic projects (around 19 thousand) and fair trade initiatives (around 15 thousand) have been developed mostly by family farmers. The database of the solidarity economy undertakings (Brasil, 2006) capture the characteristics of the actors: area of action – 50% from rural, 17% active both in rural and urban sectors; products distribution by type of activity – agriculture, fishing and wild harvesting (42%), food and drinks (18%) and handcraft products (13%). A project elaborated collectively by WG CPR GAO (Organic Agriculture Group) was approved to draft PGS regulation for organic conformity assessment systems, and included visits to two functioning PGS experiences: ECOVIDA in the Southern Region, and the ACS in the Northern region of Brazil in 2007. These visits provided the opportunity for exploring a range of question: principles, definitions, performance, criteria for inclusion and exclusion,

training, technical support, costs, dynamic, information to consumers, and distribution channels. The central question was: how does this system provide guarantees to consumers? In addition to these two experiences, nine other networks from the North, the Centre West, the Northeast and the Southeast regions presented their experiences, describing the functioning of their guarantee system. The conformity assessment systems have very different backgrounds and function in very diverse conditions, but share many common features. Most use national regulations adapted to their local socio-ecological conditions, small-scale production, and local market (short distribution circuits). Most produce for the organic market but also for the FT and solidarity economy. The procedures are simple and there is minimal bureaucracy to maintain costs low to farmers and limit time spent filling-in forms. These experiences have technical advisors for helping with the registers, but also with the correction of non-conformities. Most rely on an educational process and social control involving many actors of the production chain focusing on consumer participation to uphold their organic quality system. Transparency is maintained through stimulating active and collaborative participation within the networks but also registers. About the effectiveness of both systems, Minister of Agriculture has registered products as organic from PGS since 2007, and products submitted to PGS mechanisms are in internal market but also for export besides they need to be certified to accomplish with regulations in external markets.

PGS Principles and Characteristics – In addition to the basic elements elaborated by the PGS WG⁵ (IFOAM, 2005), Brazil defined others. The PGS include different methods of creating credibility adapted to different social, cultural, political, territorial, institutional, organizational and economic realities. The main features of PGS are: social control, participation and solidarity accountability. The social control is established by the direct collaborative participation of the PGS members. These actors define and promote collective actions of conformity assessment from the suppliers to the standard reference. Participation and solidarity accountability are complementary features that make possible social control and shared power, and, govern the evaluations and decisions related to product conformity.

Discussions

At national and international level, the PGS experiences have increased around the world since the first workshop held in 2004 (Lernoud & Fonseca, 2004). They are being used for OA taking into account international and national organic standards and regulations. Eight countries in Latin America and Caribbean (LAC) have the possibility of using PGS for OA (draft regulations or regulations not fully implemented). In Table 1 we compare the basic characteristics of PGS and certification, seeing that they use different mechanisms but have common regulatory objectives: to give guarantee about specific qualities of the product, process and services. For organic and fair trade initiatives domestic and civil conventions are negotiated, and face the same problems: a) little knowledge of the possibilities of different commercial chains and existence of few specialized channels; b) low awareness by clients and consumers of the concepts and principles of organic and fair trade; c) low levels of

⁵ After the Workshop held in 2004, a PGS WG was created with the mission to develop, facilitate and encourage PGS around the world.

organisation and capacity for marketing by family farmers and solidarity economy undertakings; d) excessive bureaucracy for accessing public policies.

Table 1 – Basic characteristics of certification and PGS

PGS	Certification
- Participation	Impartiality
Shared Power (concertation of interests)	
- Public and private partnership	Independency
Solidarity accountability (mutual)	
- Continuous correction of non conformities by peer reviews and technical advisors (constructing agro ecological knowledge and empowerment)	Competence

Conclusions

The PGS normative text for OA quality system is a real demonstration of how regulations can be more inclusive when governments discuss criteria with civil society. Certification or other conformity assessment mechanism such as PGS provides consumers with the organic qualities and fair trade principles that they are looking for. The implementation of a control system without prior discussion with the movements is likely to provoke tensions. Such tensions were apparent during the LAC PGS Workshop held in October 2007, when organic movements were made aware of the draft PGS IFOAM Manual as since the creation of the international PGS WG there has been little contact with local movements. Based on this analysis we conclude that in Brazil a strong civil society has acted to draw legislation beyond a simple matter of trade and business standards and rather far into a (rural) development mechanism seeing controlled organic agriculture and fair trade as core/integrated par of a sustainable (consumption, production and) future for both urban and rural people.

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