

Farmers and consumers in sustainable agrifood chains: innovation in governance forms

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OBJECTIVE

- The new trends in agrifood sustainability have fostered the rise and development of newly organized agrifood chains, with the roles of both farmers and consumers being modified in several ways: participation in the definition of products, extended stakeholders' participation in decision making processes, consumers' empowerment, activation and development of resources locally embedded, set up of novel product innovation devices between players, circular economy. These trends can be largely explained by the topic of sustainability as a major driver of this transformation, because the triple bottom line emphasizes the importance of environmental, societal and economic issues with a major impact in the agrifood sector, such as biodiversity, links between nutrition and health and community development.
- Innovative governance forms constitute a major determinant of these agrifood chains because they put forward the renewed roles of consumers and farmers in decision making devices and coordination mechanisms. Similarly, the inclusion of shareholders such as brokers of innovation, citizens and public institutions shows an extension of the governance perimeter.
- In this perspective, the objective of this paper is to *identify the common characteristics, in terms of governance, of sustainable agrifood chains*. Such a result could be helpful for consumers and producers in their will to design innovative sustainable agrifood chains.

THEORETICAL BACKGROUND

- The analysis is based upon recent developments in New Institutional Economics (NIE), and more particularly the literature on hybrid forms of organization. This trend of the literature allows to identify precisely the diversity and complexity of observations, and at the same time serves as a basis to delineate the rationale and build a typology of governance structures.
- Concrete examples serve the analysis: at the farmer level, the peer-to-peer interaction in order to promote new skills and new knowledge is a first example of innovative governance; at the consumer level, the emergence of solidarity-based consumer groups based upon consumers' reflexivity is also rapidly growing; at the interface between farmers and consumers, the rise of new intermediaries for sustainable innovations, usually set up in innovation eco system, also foster the creation of new governance forms such as steering committees bringing.
- The analysis considers governance forms as part of a three-level institutional framework:
 - Characteristics of institutional environment, with rules concerning CSR, biodiversity, fair trade etc.
 - Governance mode, *per se*, including contractual arrangements and coordination mechanisms.
 - The transaction level, with attributes of product for final consumers as well as interfirm relationships.

MATERIALS AND METHOD

- Identification and selection of case studies of sustainable agrifood chains in Brazil and in France, specifically: CSA (Community Supported Agriculture), consumer-buying groups (such as French AMAP), farmers' markets, Fair Trade networks...
- In-depth qualitative approach of governance forms thanks to a common analytical grid based upon the following components:

- Embeddedness: relationships with institutional environment (management standards, legal rules) and with transactions characteristics.
 - Governance perimeter: consumers and/or producers, other stakeholders, involved in decision-making and coordination devices.
 - Resources: resource pooling, types of resources linked to sustainability.
 - Governance structures: type of contracts, third-party certification, equity-based partnerships.
 - Governance mechanisms: allocation of decision rights, incentives and control mechanisms.
- Operationalization of qualitative data through relevant dimensions, such as: coordination devices, governance perimeter, scope of decisions devices regarding triple bottom-line, characteristics of resources linked to sustainability...

EXPECTED RESULTS AND MANAGERIAL IMPLICATIONS

- Typology of sustainable agrifood chains through the lenses of governance.
- Identification of key distinctive characteristics of these chains in terms of alignment between products' attributes, resources and governance.
- Recommendations of governance design principles for consumers, producers and sustainability stakeholders.

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