

**Paradoxes of private regulations for sustainability in global value chains. Insights from a developing country perspective in the food industry**

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## **Abstract:**

**Introduction:** Since the 1990s there has been an escalating number of codes of conduct, self-regulatory schemes and multi-stakeholder initiatives aiming to monitor corporate responses to sustainability in the context of global value chains (GVCs). Because these initiatives lack legal enforcement they fall into the category of private regulations. Despite increasing concerns of worldwide degradation of social and environmental conditions, the effectiveness of private regulations is still elusive and uneven. Taking a developing country and bottom of the chain perspective, we seek to provide a comprehensive view of the individual paradoxes created by private regulations across GVCs.

**Literature review:** To analyze the Global Value Chains, we suggest to use the paradox lens and literature (Putnam, 1986; Poole & Van de Ven, 1989; Lewis, 2000; Clegg et al., 2002; Smith & Lewis, 2011) and more particularly the organizing and the performing paradoxes (Jarzabkowski, Lê & Van de Ven, 2013), at a meso but also at a micro level. We also draw on Poole and Van de Ven (1989) who identify four strategies to manage paradoxes: temporal separation, spatial separation, paradox resolution (with the introduction of a new element), or paradox acceptance (paradox non resolution).

**Methodology:** To fulfill our objective we explore a unique longitudinal case of a sugar producer in Colombia that is involved in a supplier development program set up by a multinational company in the beverage industry. Our dataset comprises interviews and observation as well as document analysis.

**Results:** Our results show that despite positive outcomes related to process and product upgrading, private regulations for sustainability create paradoxes at the individual level that diminish their transformative power. Particularly, private regulations generate paradoxes in three categories: the governance of sustainability, the nature of corporate responsibilities and the structural location of sustainability related initiatives.

**Implications:** Our work contributes to the recent interest in understanding social upgrading and its links with economic upgrading (Barrientos et al., 2011; Gereffi and Lee, 2014). We also respond

to call to develop more research on CSR with a focus on the individual level. Finally, we complete existing work on the paradoxes of transnational production and sustainability (Hahn et al., 2014).

**Keywords:** sustainable global value chains, private regulations, Colombia, food industry, paradoxes